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ABSTRACT

Financial aid practices identified as warranting improved and/or more consistent administration on the institutional level are examined. The following areas were selected for study because of their emergence as sources of conflicting or inefficient management practices from institution to institution: the role of the financial aid office in the institutional hierarchy, development and dissemination of student information sources, financial aid counseling for special student populations, and approaches and practice to financial aid packaging. Topics include the following: organizational considerations, perceptions of the financial aid office, compliance with government regulations, improving the position of the aid office, a model of a student financial information publication, techniques used to identify students in special populations (minority groups, women, veterans, and handicapped students), counseling students on special aid programs, and pre-packaging considerations. The following financial aid manuals are examined: NACUBO Manual, NATTS Manual, and NASFAA Manual. An attempt is made to gauge the utility of the manuals for financial aid offices. (SW)

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A GUIDE TO SELECTED FINANCIAL AID MANAGEMENT PRACTICES

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SEPTEMBER 1980

GUIDE TO SELECTED FINANCIAL AID MANAGEMENT PRACTICES

September 1980

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1

INTRODUCTION

The expansion of student financial assistance programs from Federal, state, and local sources has necessitated an increasing emphasis on the proper management of these programs at the institutional level. Of prime concern to postsecondary institutions are the needs for sound accounting practices, comprehensive monitoring of and compliance with government regulations, and adherence to policies that promote access and choice among students. In considering these issues throughout the conduct of the Study of Program Management Procedures in the Campus Based and Basic Grant Programs (referred to hereafter as the Study), it has become obvious that significant gaps persist in the quality of management practices on the institutional level. This is not an indictment of those currently administering student aid programs. Rather, it is a recognition that the youth, complexity, and changeable nature of the student financial aid programs present numerous problems to those charged with the responsibility for their proper management.

This Guide to Selected Financial Aid Management Practices concentrates on four areas of practice which have been identified as warranting improved and/or more consistent administration on the institutional level. These areas were selected for study because of their emergence as sources of conflicting or inefficient management practices from institution to institution. The following statements identify these four areas of inquiry and present brief summaries of the specific reason(s) why each was chosen for inclusion in the Guide:

- The Role of the Aid Office in the Institutional Hierarchy:
  Throughout the course of the site-visit phase of the Study, it became clear that aid offices occupy varying positions in relation to their institutional governing authority. One aid officer, for example, reported that the institution regards the financial aid office as a "full partner in maintaining the mission of the institution" while another contended that "my prime responsibility seems to be to keep us (the institution) out of legal hassles." This section considers the position of the financial aid office within the institution and its implications for the distribution of student assistance monies.
- Student Information Sources: Development and Dissemination:
  Although institutions are required by law to provide students with information on financial aid programs, the overall effectiveness of efforts to do so is suspect. Results of the student survey portion of the Study reveal that significant numbers of students from low- and other-income backgrounds do not apply for aid due to their self-assumed ineligibility and/or a lack of knowledge regarding the availability of financial aid. It is the narrowing of this apparent "information gap" that this chapter of the Guide addresses.
- Financial Aid Counseling for Special Student Populations:
  To quote from the Study's Final Report,

  > Depending on the availability of resources, the composition of the student body, and administrative philosophies,

the financial aid offices may attempt to provide other aid counseling services which are directed at specific kinds of students. Such services are provided only by a minority of schools; two-thirds of the institutions surveyed reported that they made no effort at all to provide special counseling services to specific student populations.

The merits of providing such counseling services as well as the type of counseling financial aid offices should be expected to provide is the subject of this section of the Guide.

- Financial Aid Packaging: Approach and Practice: Although the Study presents considerable information detailing the types of packaging philosophies utilized by various institutions, it has left open the questions of "why" and "how" institutions choose their adopted packaging concepts. Factors influencing the choice of a packaging type and the methodology involved in arriving at such a determination are considered in this chapter.

Each of the above-noted chapters presents a more in-depth discussion of the circumstances prompting the selection of each topic for review. Following this is an overview of the issues surrounding the particular area of inquiry and, finally, a set of recommendations on the management techniques that individual aid office(r)s can apply to develop, refine, or perfect their approaches.

This document is not the first, and certainly not the last, to address the issues concerning student financial aid management. Currently, a good deal of literature speaks to specific areas of management practices. Volume I of the Study's Final Report contains an Historical Summary of the Literature on Financial Aid Management and a List of Selected References that highlight published material on such areas as counseling, fiscal control, computer usage, loan administration, and other management concerns. In addition to works that concentrate on single topics, several efforts have been made to develop and publish comprehensive manuals that present the financial aid officer with guidance on the entire spectrum of financial aid management. The following chapter introduces some of these manuals and attempts to gauge their utility as tools for financial aid office(r)s.

2

FINANCIAL AID MANUALS

INTRODUCTION

Currently, a number of publications are intended to provide financial aid officers with information on management practices covering all aspects of aid office activities. Although their intended audiences and approaches differ, the basic goals of these manuals are similar: to equip institutional financial aid officers with a single document to answer their most common questions and to serve as a reference for those attempting to develop, restructure, or fine-tune their student financial aid operations. Most of these manuals interweave discussions of general management principles with their specific materials on maintaining an administratively sound financial aid operation.

Usually these manuals, especially those to be considered extensively below, can prove to be of great utility both to the novice and to the experienced financial aid officer. However, all of them have certain limitations that can affect their use by an individual aid officer. Notably, these manuals have been produced by various interest groups holding certain views and, justifiably, their publications reflect these views. The reader should not be surprised, for example, that a manual published by a business-oriented organization (e.g., NACUBO) contains a slightly altered set of priorities than one developed by financial aid personnel.

The three examined here in detail can be considered the "top of the line" in aid office manuals. Each possesses material of great value to financial aid officers. They are:

- The Management of Student Aid, prepared by the National Association of College and University Business Officers (NACUBO);
- Student Financial Aid Tool Kit, prepared by the National Association of Trade and Technical Schools (NATTS); and
- Fundamental Financial Aid Self-Learning Guide, prepared by the National Association of Student Financial Aid Administrators.

NACUBO MANUAL

The National Association of College and University Business Officers' (NACUBO) manual, Management of Student Aid, is a comprehensive and detailed account of the principles, practices, responsibilities, and fiscal considerations of student financial aid management. While this manual is primarily geared to larger institutions and financial aid offices with considerable resources, the information it contains can be applied to any postsecondary setting, regardless of how modest the scale of operation.

Aimed at a wide spectrum of senior administrators (presidents, governing boards, academic officials, and financial aid, business, student affairs, and development officers) serving in decision-making capacities, this manual is intended to accomplish three purposes:

- *"to enhance the understanding of the effects of student financial aid on their institution...;*
- *to present the financial aid process...; and*
- *to foster sound accounting and control mechanisms in postsecondary education institutions."*

Specifically, the NACUBO manual addresses the institutional implications of student financial aid in terms of policy and legal concerns. Policy considerations include the consequences of financial aid on student mix, and, therefore, on the mission of the institution; the importance of financial assistance on recruitment and retention; the issue of sound business practices as well as ways to audit such practices; factors impinging on the collection of loans; and more. The legal concerns of student financial assistance that are detailed include the due-process rights of students, discrimination liabilities, legal necessities of privacy, and the tax consequences (to students) of available financial aid.

The manual treats the topics of the planning and acquisition of financial aid resources, the responsibilities of the financial aid office, the disbursement process, fiscal management, billing and collection, auditing and compliance, special issues in management control, and the student aid process. The legal issues and general management controls are discussed in the specific ways they relate to each topic. Throughout the manual, charts and diagrams highlight and summarize various concepts and processes. Additionally, a number of sample forms or other model documents are intended to assist the aid officer in implementing some of the suggestions.

Finally, this publication contains numerous appendices, a bibliography, and a glossary, totaling 276 pages. To obtain a copy of this manual, contact:

National Association of College and University Business Officers
1 Dupont Circle, Room 510
Washington, D.C. 20036
Phone: (202) 861-2500
Cost: $20

NATTS MANUAL

A detailed "how-to" manual, the National Association of Trade and Technical Schools' (NATTS) Student Financial Aid Tool Kit, presents a thorough review of nearly all administrative phases of student aid. The publication goes far beyond a traditional discussion of the Basic Grant and Campus Based programs. Included are extensive reviews of such areas as "Preparing for a Program Review and Audits" and "Designing an Institutional Policy and Procedures Manual." Reprints of Federal regulations governing student aid are also included, and legislative updates are provided by NATTS on a quarterly basis. The manual is divided into numerous sections, each concentrating on a very specific area of aid practice which allows for quick and easy reference by the aid officer.

The publication is designed primarily for use by trade and technical schools providing occupational training. For this reason, many of the financial aid management practices unique to these institutions (such as the treatment of 12-month student budgets) are presented in this, and no other similar document. The Tool Kit can be a valuable document for any aid office. It is unique in its approach to integrating the demands of Federal regulations with their consequences for the practices of the aid office. Additionally, the ring-binder format will allow an aid officer to integrate his or her own materials as part of the volume.

Copies of the Tool Kit can be obtained by contacting:

National Association of Trade and Technical Schools
2021 L Street, N.W.
Washington, D.C. 20036
Phone: (202) 296-8892
Cost: $80, non-member institutions; $50, member institutions

NASFAA MANUAL

The National Association of Student Financial Aid Administrators' (NASFAA) Fundamental Financial Aid Self-Learning Guide was designed primarily as a source, reference, and training tool for new financial aid counselors and aid administrators. Developed as an outgrowth of a series of program administration and management workshops conducted by a consortium composed of the American Personnel and Guidance Association, NASFAA, and NACUBO, this Guide is a valuable means for imparting a sound knowledge of student financial aid history, concepts, and processes. As such, it is useful in its application to all postsecondary institutions, regardless of type or size.

The Guide provides a basic understanding of the roles of the various participants in the financial aid process, the programs available, and the interaction among the aid office, parents, students, other offices, and other agencies. Among the topics addressed are: the role of the aid office; a history of student financial assistance; the objectives, nature, form, sources, and criteria for awarding financial aid; Federal Title IV programs; delivery and disbursement; need analysis; student budgets; operating the aid office; and counseling students. Additional readings are suggested at the end of each chapter. To emphasize its "self-learning" quality, the Guide includes review exercises for each chapter. These serve as self-tests of comprehension and a reinforcement of learning concepts. The loose-leaf binder format enables easy updating of the material and allows the aid officer to incorporate his or her own materials.

To obtain copies of the Fundamental Self-Learning Guide, contact:

The National Association of Student Financial Aid Administrators
910 17th Street, N.W.
Suite 217
Washington, D.C. 20006
Phone: (202) 785-0453
Cost: $20

3

ROLE OF THE FINANCIAL AID OFFICE IN THE INSTITUTIONAL HIERARCHY

INTRODUCTION

The student financial aid office is one of many offices comprising the average postsecondary institution. The aid office is typically responsible for acquiring, administering, and distributing student assistance monies from any number of sources. To carry out the tasks at hand, the aid office must interact with a number of other institutional departments. Depending upon the individual practices at a particular institution, the aid office may have to establish a working relationship with any combination of the following institutional offices: admissions; registrar; bursar; grants and development; dean of students; student personnel; counseling and guidance; general legal counsel; faculty; various academic departments; and the president, chancellor, or owner of the institution. For public institutions that are part of university, college, community college, or vocational-technical "systems," these interrelationships may stretch to involve various central administrative offices and/or state agencies.

As the field research effort leading to the development of this Guide has shown, there is no single, accepted definition of the role of the office of student financial aid in relation to the remainder of the institutional hierarchy. At some institutions (notably those of smaller size), the relationships considered below may be largely informal in nature. At others, the aid officer may also be charged with the responsibility for one or more of the above-named administrative areas, rendering these relationships virtually nonexistent. Regardless, there is a definite and constant need for defining and monitoring the various institutional activities that impact on financial aid functions. In all cases (except in one-person institutional operations), the role of the financial aid office vis-a-vis the primary institutional governing authority must be clearly laid out.

This subject is possibly the most difficult around which to develop a concrete framework. Relationships among various segments of an institution will always have to contend with the unpredictability of human relations factors as a variable. The personal dynamics of local relationships may assist or hinder the aid office(r) to such a degree that other considerations become secondary.

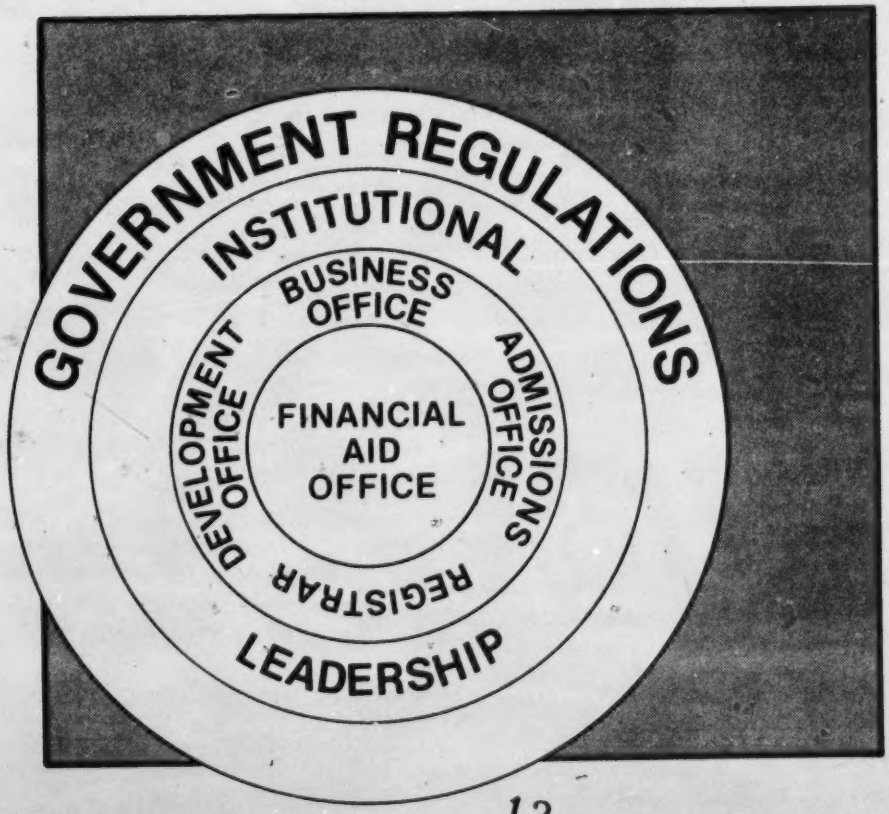
WHAT IS THE ROLE OF THE AID OFFICE?

The Office of Student Financial Aid is a relative newcomer to the institutional scene. While institutions have always had to consider the needs of faculty, admissions, business, and presidential offices, it is only within the last fifteen years that most have devoted serious consideration to financial aid concerns. It is the unique position of the financial aid office, as it seeks to establish itself as an integral part of the institution, and the special problems encountered by aid officers that have prompted the following discussion.

Financial aid offices are continually striving to obtain a fair share of the limited operating resources institutions have to allocate. Whether this struggle is waged with regard to staff support dollars,

hardware and software purchasing, or the time of the senior institutional administrator, its end result can have a serious impact on the services provided by the aid office. Even aid officers who have already achieved a position of influence within their institutions report that they must continually work to maintain such a role. Changes in the personnel occupying positions of institutional leadership or a general budget squeeze can rapidly reverse past gains in this area. Aid offices will continually find themselves in competition with other institutional departments for these limited resources.

Logic would seem to dictate that the vast increases in the total monetary size of Federal and state financial aid programs would automatically push the aid office into a higher level of relative importance within the institution. Reality has shown, however, that institutions generally, and institutional leaderships specifically, have not automatically made such a connection. One particularly frustrated aid officer at a private university claims that, "Many institutions lack the foresight to anticipate the influence which the financial aid program will have on the entire school." He reports that his institution has



continually sought ways to cut his operating budget despite the fact that the total student assistance he administers is equal to over one-third of the annual institutional budget.

ORGANIZATIONAL CONSIDERATIONS AND IMPLICATIONS

Although, as has been stated, there is a good deal of variance in the manner in which institutions review and act upon the concerns of the financial aid office, a few generally accepted principles have evolved. Interviews with many financial aid officers and a review of current literature reveal that the closer the aid office is placed to the presidential level of the institution, the greater its ability to influence the institutional administration. Two flow charts are presented below which outline typical organizational structures. Exhibit A is drawn from information provided by aid officers at smaller (under 5,000) schools, while Exhibit B pertains to larger, more complex institutions. As can be seen, the financial aid office usually finds itself placed directly below the appropriate Vice-President. In Exhibit B, the aid office is equated with other student service departments.

These flow charts represent somewhat ideal positions for the financial aid office. Many aid office(r)s currently are relegated to lower rungs of the organizational ladder. To quote an aid officer from a prestigious college in the Midwest, "At this school financial aid is treated like a poor relation. The president expects the admissions officer to be a proper advocate for the needs of the aid office. This just isn't happening. His priorities and mine are not the same." The further

EXHIBIT A:
SAMPLE ORGANIZATIONAL FLOW CHART

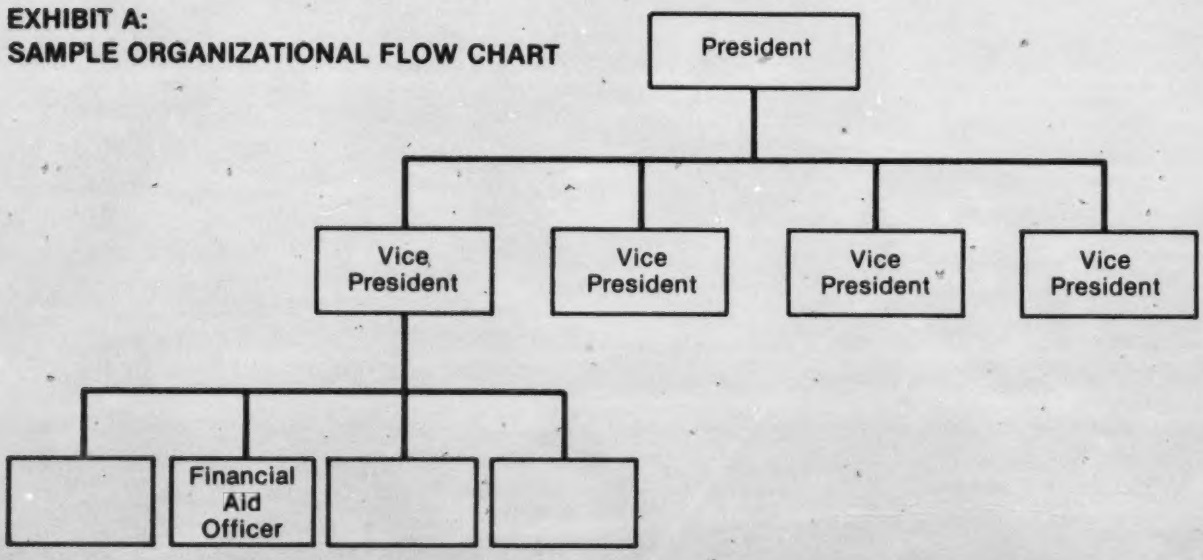
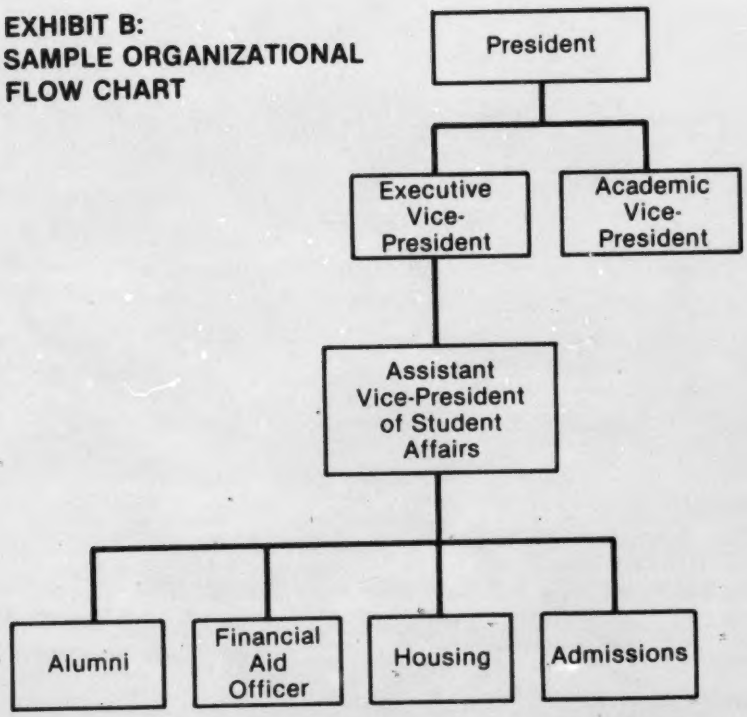


EXHIBIT B:
SAMPLE ORGANIZATIONAL FLOW CHART



down the organizational structure an aid office is placed, the less internal autonomy it can hope to achieve. Not only is there a risk that the needs of the aid office will be neglected, but there is an additional likelihood that the policies of the aid office will reflect the desires of persons not directly concerned with financial aid. No matter what the assigned position of the aid office, it must always be recognized that it is, indeed, merely one part of the entire institution. An aid office will be a much more likely candidate to retain or improve its position of autonomy if it concentrates on keeping its policies and procedures in line with the overall mission of the institution.

Before any consideration of the manner in which aid office(r)s may be able to improve or enhance their relative position in the institutional hierarchy, it may be useful to delineate the implications for the aid office of such an undertaking. Most every facet of the aid operation can be affected by decisions made outside of the aid office:

- Staffing concerns:
  - size of staff;
  - professional and technical ratio;
  - salaries;
  - recruitment; and
  - retention.

- Physical plant:
  - — size of aid office;
  - — location of office; and
  - — maintenance of "productive" working conditions.
- Computer needs:
  - — access to computer time;
  - — on-line capabilities;
  - — specific assignment of computer personnel;
  - — innovative capacity; and
  - — reporting and recordkeeping responsibilities.
- Overall operating budget:
  - — reproduction capabilities;
  - — staff travel and training; and
  - — aid office services to students.

Even without detailing each of these areas, it is easy to comprehend the effect they, either singly or in combination, can potentially have on the conduct of financial aid office operations. What is not so obvious is the impact of "psychological factors" on aid office activities. Aid officers who are continually engaged in conflicts with their institutional leadership regarding the allocation of resources report that this is an especially taxing experience for all involved. An aid office will be forced to expend a significant portion of its already strained time and resources at regular intervals to plead its case in person or to prepare proposals for submission to institutional governing authorities. In all too many instances, aid personnel must be pulled away from regular responsibilities to appear before institutional governing boards, presidents, or trustees to convince them that the aid office is serving a crucial function and/or is having great difficulty in coping with its existing workload.

PERCEPTIONS OF THE AID OFFICE

All aid offices, no matter what their particular institutional setting may be, normally perform a certain basic set of functions such as completing annual applications for funding, awarding aid to students, monitoring government regulations, disseminating student consumer information, and counseling loan recipients. The order in which these responsibilities are prioritized, as well as their coordination with other campus offices, will be largely a function of the overall institutional perception of student assistance in general, and the aid office in particular.

One of the most basic and perhaps the most widely discussed issue in the institutional organization of aid responsibilities has been its assignment as a "business" or a "student services" function. Although most anyone with knowledge of financial aid processes would acknowledge its duality of function, most institutions have either tacitly or more directly given preference to one view or the

other. By placing the aid office under the supervision of the business office (or under a vice president for finance), institutions are in turn placing emphasis on what one director termed the "cash register" responsibilities of the aid office. Stanley Gross, in the Journal of College Student Personnel in 1966, offered this assessment of the perceptions of financial aid management:

> (The) administrative viewpoint is college-oriented—financial aid is viewed as best used to meet institutional purposes. (The) personnel view is student centered—financial aid is being used to meet the needs of the students.[1]

In 1972, the same journal carried an article by Louis Stamatakos and James Bekkering which detailed four main arguments promoting the perception of aid management as a student personnel function. These are:

1) the more ready integration of student aid counseling with the total counseling process at an institution;
2) an added degree of "sensitivity" in developing and implementing aid office policies;
3) promotion of the aid office as an "agreeable place for students" to come to with personal problems; and
4) by removing the aid office from formal attachment to the business office, it can have the freedom to play an advocacy role to ensure that business office procedures are in the student interest (especially regarding award disbursement).[2]

COMPLIANCE WITH GOVERNMENT REGULATIONS

It is impossible to place too much emphasis on the responsibilities involved in assuring compliance with rules and regulations governing the disbursement and management of government-sponsored student aid. From the standpoint of the aid office, compliance is essential to maximize the amount of funds available for its use and as a means of keeping itself from being under the pressure of government audit or investigation. An aid office constantly having to explain its practices to satisfy an agent of the government that funds are being properly administered will be sapping itself of valuable time and resources. If an aid office practices preventive maintenance by scrutinizing government regulations and monitoring its own compliance, it can avoid the immediate inconveniences of government inquiries and the long-term threat of disqualification from future program participation.

In the view of an institution's top executives, there is no substitute for strict compliance with government regulations. At privately-owned institutions, the chief administrator may be personally responsible for any practices found to be in violation of law. The burgeoning importance of financial aid funds to the institution's fiscal stability and/or survival creates added pressure on the aid office to avoid the

suspension or termination of this flow of governmental funds due to noncompliance. It is the aid office(r)'s responsibility, as well, to monitor other campus offices involved in the handling of student aid monies and to be sure that they are also acting within the law. The business office must be depositing such monies in properly maintained accounts, keeping accurate records of all transactions, and disbursing aid to students in accordance with set procedures. The institutional administration must be sure not to issue policy statements that force the aid office to act outside the boundaries of law. An example of this would be the exertion of pressure on an aid office to award Campus Based dollars according to merit-related rather that need-related criteria. Although they may cause some conflicts with an avowed institutional mission, legal considerations must always be given precedence.

IMPROVING THE POSITION OF THE AID OFFICE

The intricacies and idiosyncracies of each postsecondary institution make the development of blanket statements regarding the proper position of the aid office in relation to all other institutional departments virtually impossible. It is essential, though, that aid officers recognize the connection between the position of their aid office within the institutional hierarchy and the quantity and quality of activities they will be able to perform. The intensity of internal institutional rivalries existing at some schools (especially larger institutions) demands that the aid office either maintain visibility or risk having its needs and priorities overlooked. In some recent, distressing instances, aid office(r)s have found themselves downgraded in relation to the rest of the staff. At one particular community college in the West, the status and salary of the aid director were drastically reduced and the operating budget slashed due to apparent institutional misconceptions regarding the role of the aid office. Even though the aid officer still reports to the same vice president, the degree of influence has been greatly limited as has any incentive to remain at that institution.

PRESENTATIONS TO THE PRESIDENT

The most obvious approach through which institutional misconception about the role of financial aid, the financial aid office, and financial aid personnel can be corrected is to provide those in positions of institutional power with the appropriate facts regarding these roles. The remainder of this chapter addresses specific areas in which the aid office can prepare such presentations and how such information can and should be communicated to the institution's decision makers.

Interviews conducted both with senior instiutional administrators and experienced financial aid personnel reveal that the manner in which presentations are made to senior administrators may be as im-

portant as the substance of these presentations. Written materials and oral communications should be kept simplified in scope and organized for ease of understanding. There is some temptation to make the job of financial aid management seem important by employing complex terminology or sophisticated reasoning techniques. Such an approach can easily backfire if the president is turned off from thoroughly reading a document or if his or her attention is worn thin during a verbal presentation.

Materials prepared for institutional governors should emphasize the relation of financial aid, and the financial aid office, to the mission, goals, structure, and future success of the institution. The average institutional administrator may have never considered that staffing limits may result in the elimination or cutting back of services he or she takes for granted (e.g., counseling or handling inquiries from parents). Regular, well-ordered reports to the president can, and in most cases will, bridge gaps in information, clear up misconceived notions, and strengthen the relationship between the aid office(r) and the institutional leadership. Making a regular habit of such reports or presentations will not only keep the institutional decision-makers constantly aware of the needs and importance of student aid, but can also be a valuable exercise for the aid officer, by providing the opportunity to codify and document the current status of the aid office.

RESEARCH

The aid office will not be the only institutional office seeking to gain the ear of the president nor will it be alone in its pursuit for improved relationships and operating considerations. It is always to the advantage of the aid office to work from a position of strength. This strength can be best obtained through a documentation of its needs and desired responses. If an aid office is concerned because it feels that student needs are not being properly met, it would be well-advised to research the specifics of the situation (e.g., what percentage of monetary need is left unpackaged, what percentage of students are not being counseled) and compare local practices against the results achieved by other institutions. Instead of open-ended requests for additional funds, the aid officer should be prepared to detail the impact that added staff or machinery will have on the provision of aid services. Aid offices should be prepared to utilize all available resources to conduct such research. Institutional computers (whether the aid office has direct access to them or not, can be employed to simulate hypothetical situations that project student need, for example, or illustrate staffing problems. These can then serve as documented justifications for future budget requests. Aid offices that unsuccessfully attempted to gain extra staffing to meet the demands of MISAA during the 1979-80 academic year could have made a much better case had they been able to present specifics on the number of new students eligible for assistance who would require processing by the aid office.

PLANNING

In every respect the administration of student financial aid is a twelve-month task. The necessity for internal planning is known to all aid officers. Financial aid planning cycles that are developed for internal use can also serve as devices to illustrate graphically the depth and complexities of the aid office's responsibilities. By making top-level administrators aware that aid office tasks must be spaced throughout the year, and that the nature of application and reporting requirements demand that aid offices undertake tasks that cover two or three aid years simultaneously, the aid officer can avoid hasty decisions that are based only on immediate concerns.[3] Quite a few aid officers voiced the complaint that personnel are often shifted from financial aid to admissions duties during what others wrongly perceived as "slow" periods for the aid office. Proper planning on the part of the aid office can also add credence to requests for support and assist in anticipating times of peak workload that may strain existing resources. To manage its operating budget properly and to avoid the embarrassment of asking for a "bail-out" at the end of the fiscal year, the aid office must learn to predict and cope with demands throughout the year.

AUDITS

As mentioned earlier, the aid office should do its best to avoid the appearance of impropriety in the handling of aid funds that may prompt auditing by a governmental agency. This type of audit, however, should not be confused with an internally prompted audit, which is directed at evaluating the efficiency of aid office operations, or the regular program review audits that are now required by the Education Department. These latter audits can be of wide-ranging use to the aid office and the institutional administration because they provide an accurate accounting of the management of funds and can present a view of aid office procedures as they compare to government regulations and accepted fiscal management practices. Suggestions for improving aid processes made by professionals from outside of the aid community can carry a great deal of weight with institutional administrators who naturally respect the expertise and judgement of persons with such credentials. By the same token, an audit report whose tone is complimentary of the aid office will be well-received and properly noted by the institutional executive.

RELATIONS WITH OTHER INSTITUTIONAL OFFICES

To maintain the proper flow of aid funds and ensure that aid office policies are adhered to throughout the awarding and distribution process, the aid office must establish working relationships with various institutional offices.

IMMEDIATE SUPERVISOR

For the aid officer without a direct line of communication to the top institutional decision-makers, an effort must be made to keep one's immediate supervisor in close contact with the needs of the aid office. The aid officer will rely upon this person to communicate effectively his or her desires to institutional superiors. If it is the Vice President for Student Affairs, for example, who attends high-level, executive decision-making meetings, then the aid officer should make every attempt to recruit this person as an ally and to equip him or her with a thorough understanding of the situation of the aid office.

BUSINESS OFFICE

Relationships with the business office have been mentioned a number of times in this chapter. An aid office would do well to monitor any business office processes bearing upon student aid. If, as in most cases, it is the business office that officially issues aid checks, this process should be in accordance with aid office procedures. In addition to monitoring their compliance with regulations, the business office should be expected to provide students with courteous, prompt attention and to set up procedures that expedite disbursement. Any good will created by the aid office can be quickly negated if students must wait in long lines or cope with new and added complexities before receiving payments.

REGISTRAR

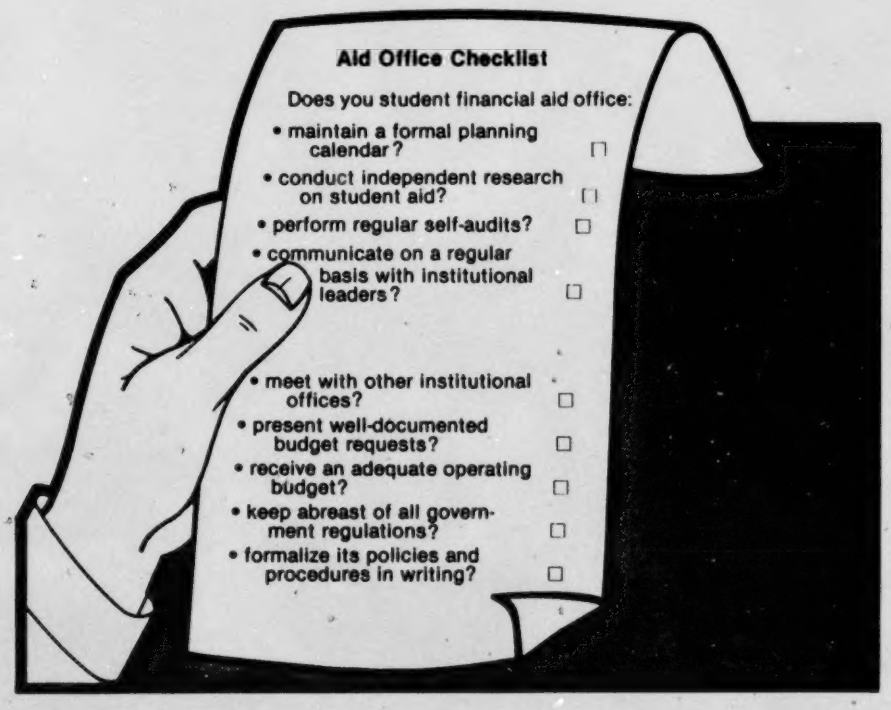
The monitoring responsibilities of student aid offices mandate the establishment of a communications network with the campus registrar. Since this is primarily a regulatory compliance relationship, it may be more crucial to formalize this interfacing than it is in other areas.

DEVELOPING AND MAINTAINING INTRA-INSTITUTIONAL RELATIONSHIPS

The best of intentions cannot substitute for the accurate flow of communications between the aid office and other institutional offices. By formalizing its own procedures and publishing them for distribution to administrators, faculty, and students, an aid office(r) can avoid misinterpretations, confusion, and/or a general lack of awareness. Many institutions have found that regularly scheduled meetings involving the directors and/or staffs of institutional offices with interrelated responsibilities provide useful forums for laying out the ground rules for these relationships. Obviously, all of the policies adopted by the aid office may not easily fit in with the processes already installed in other institutional offices. Both parties in such conflicts must be willing to approach problems with flexibility and an

awareness of the other's limitations, especially in areas that are outside their control (e.g., government regulations).

The keys to successful interactions on the institutional level are similar to those that weigh on human relations no matter what the specific circumstances--a respect for the other person's position and a willingness to bend individually for the benefit of the whole. When all offices on campus are working toward serving the same institutional mission, these relationships become clear-cut and are remarkably simple to control. Energies and initiatives can then be directed at improving the quality of services and achieving the intended goals of the institution.


Aid Office Checklist
Does you student financial aid office:
• maintain a formal planning calendar?
• conduct independent research on student aid?
• perform regular self-audits?
• communicate on a regular basis with institutional leaders?
• meet with other institutional offices?
• present well-documented budget requests?
• receive an adequate operating budget?
• keep abreast of all government regulations?
• formalize its policies and procedures in writing?

END NOTES

[1] Gross, Stanley. "A Critique of Practice in the Administration of Financial Aid" in the Journal of College Student Personnel, March 1966.

[2] Stamatakos, Louis C., and Bekkering, J. "Financial Aid: Whom Should It Serve?" Journal of College Student Personnel, Vol. 8, January 1972, pp. 61-64.

[3] For a more detailed discussion of aid office planning cycles, see the Study of Program Management Procedures in the Campus Based and Basic Grant Programs. Final Report, Volume I; Chapter 5.

4

STUDENT INFORMATION SOURCES: DEVELOPMENT AND DISSEMINATION

INTRODUCTION

Perhaps the single greatest impediment to access to a postsecondary education is the inadequacy of much of the current financial aid information in addressing the needs of students. The National Task Force on Student Aid Problems (Keppel Commission) found that the financial considerations of student decision-making processes are distinguished by confusion and inadequate communication among institutions, aid administrators, students, and their families.[1] The financial aid system is one of great scope and complexity. Unless information is provided to students on the full range and diversity of potentially available financial aid opportunities, their ability to make reasoned decisions concerning their future education may be severely hampered.

Students require financial aid information from a variety of sources throughout their courses of study. Yet, at certain times the availability of information is particularly crucial. For example, high school students require accurate, understandable information as they consider whether or not to attend a postsecondary school and, subsequently, which school to attend. In large part, they reach their decisions on the basis of information furnished by guidance counselors and admissions officers. Students who have "stopped out" after high school often base their decisions to pursue a postsecondary education on financial considerations and generally rely on the school itself to provide them with pertinent information. Transfer students need to know whether their financial aid awards can be carried over to their new school. Finally, continuing students depend on financial aid officers to satisfy a wealth of information needs.

This vital necessity for information, coupled with student complaints regarding its quality and availability, precipitated the development and implementation, in 1977, of the Student Consumer Information Requirements. These requirements established rules and procedures for postsecondary schools governing the provision of financial aid information to students. They stipulate that an institution must furnish all of the following information upon request:

- the student financial assistance programs available to enrolled students, including information on the Title IV (BEOG and Campus Based) programs in which the school participates, as well as state and institutional programs;
- the forms and procedures by which students apply for aid, the student eligibility requirements, and the criteria used by the institution to select financial aid recipients and determine award amounts;
- the requirements for continued eligibility under the programs;
- the rights and responsibilities of students receiving Federal grants and loans;
- the means and frequency by which the funds are disbursed;
- the institution's definition of "maintaining satisfactory progress" in order to continue to receive financial aid funds, and how students who have dropped below this standard may reestablish eligibility;

- the terms of loans and sample repayment schedules;
- the terms that apply to any employment extended to the student;
- the cost of attending the institution (i.e., tuition and fees, books and supplies, room and board, and any additional program costs);
- the institution's refund policy;
- the academic programs offered by the institution;
- data on student retention at the institution;
- the number and percentage of students completing a particular program, if available; and
- the titles of the individuals to be contacted for more information, and the ways in which each can be reached.

Finally, the requirements mandate that each institution must have an employee, or a group of employees, available on a full-time basis to help all students obtain information. This requirement, however, may be waived for an institution too small to need a full-time employee.[2] The proposed 1980 Higher Education Reauthorization expands upon these requirements, and institutions must incorporate any necessary changes into their 1980-81 financial aid information. Moreover, if schools do not comply with these requirements, funding will be withheld.

Postsecondary schools may elect to take a wide variety of approaches to provide complete and comprehensible information about financial opportunities to both prospective and enrolled students in order to fulfill these requirements. Yet, from the information collected during the conduct of the Study it is evident that there are a number of shortcomings with regard to the information provided and the manner in which it is disseminated. These limitations and their impact on student access and persistance are the subject of the following section of this chapter.

IMPACT OF CURRENT INFORMATION AND DISSEMINATION STRATEGIES

In response to the Student Consumer Information Requirements, an array of financial aid publications have been developed by individual institutions. While some of these materials offer outstanding explanations of student financial aid at their schools, there is broad diversity in terms of presentation and treatment. That is, these publications reflect inconsistent degrees of quality and comprehensiveness.

The actual materials utilized by schools to inform students about financial aid range from separate brochures and pamphlets that address all the relevant issues in a straightforward, comprehensive, and attractive manner to blurbs buried in school catalogues that contain only the most cursory discussion of the programs. Indeed, many of these materials do not progress very far in fulfilling even the most basic informational needs of students. This statement is borne out by

the Study findings which reveal that the majority of students who do not apply for financial aid indicate that they are unaware of the existence of the programs or else assume they are ineligible to receive such assistance.[3] This problem is particularly acute for educationally and economically disadvantaged students who are generally the last to learn of and, consequently, apply for financial aid.

There are a number of student financial aid office practices that can greatly influence student access to information. In fact, institutions may unwittingly contribute to a student's lack of awareness of financial aid. A prime example is the situation in which an aid office distributes information on a request basis only, thus making the assumption that students already know about the existence of financial aid.

All financial aid officers must cope with resource and fiscal limitations that may, in turn, affect their ability to attain their objectives to provide student information. Specifically, fiscal constraints may bear upon their capability to produce sufficient quantities of written information because of astronomical printing costs. As an alternative, many aid offices have elected to provide students with separate fact sheets, each of which addresses a single topic. Fact sheets are cheaper to produce and reproduce than guides containing full information. While they are useful for providing some kinds of information (e.g., on the Guaranteed Student Loan programs, or College-Work Study opportunities and regulations), these fact sheets have severe limitations and, therefore, should not be relied upon as the student's sole source of financial aid information. For example, fact sheets may be easily lost or misplaced and thus cannot serve as a basic reference. More importantly, when information is distributed in a piece-meal fashion, the student cannot be expected to gain a complete picture of the financial aid system and how he or she fits into it. Such students may become confused and form misconceptions about aid and, as a consequence, abandon their quests for assistance and possibly for postsecondary education. An alternative consequence is that students, in their confusion, may seek the input of misinformed sources (fellow students, their families, admissions officers, high school guidance counselors, and faculty) to bridge information gaps, which, in turn, may simply perpetuate the spread of misinformation and misconceptions about financial aid.

Some shortcomings observed in publications produced by aid offices concern organization and formatting. The following are some examples of problem areas that can render publications inadequate:

- information is presented "en masse" without any emphasis on particular topics of interest (e.g., necessary application forms and deadline dates, names, telephone numbers, and available hours for contact persons, etc.);
- narratives are too technical to be understood (i.e., they are not designed with the student or parent reader in mind). This may result

in the reader losing interest or skipping over a long discourse and missing pertinent information;

- information is too brief to adequately address all pertinent issues;
- to save on printing costs, the material is frequently presented in a reduced size of type, which hinders ease of reading; or
- printed materials lack visual appeal--illustrations and/or colors are absent.

Poorly produced, inadequate information serves only to confuse and discourage students and their families and can adversely affect their ability to make sound decisions concerning their ability to finance their future education. Suggestions for improving the quality of financial aid information are presented in the next section of this chapter.

Financial aid information must not only be produced, but it must be readily accessible to both prospective and enrolled students if it is to have the greatest impact. Financial aid officers can adopt a number of dissemination approaches, given their fiscal, resource, and time considerations, to satisfy student information dissemination needs in a timely manner. Yet, all too often, information on aid programs fails to reach students. It is significant that three percent of the schools participating in the Study report that they take no measures whatsoever to inform students about financial assistance. In the words of one aid administrator, "We let the government publications take care of business." Furthermore, a small number of institutions note that while financial aid application forms are made available at the financial aid office, they make no attempt to distribute them or to advertise their availability. This occurs despite the fact that it is probably the most basic information service that a school can provide. The following exemplify the shortcomings that have been identified in financial aid information dissemination efforts:

- Information is only available upon request, and no effort is made to advertise its availability.
- Although a number of aid administrators indicate that they are hesitant in allowing admissions officers to discuss financial aid when they meet with high school seniors, for fear that they will impart inaccurate information, they often neglect to provide proper training to these individuals. Similarly, aid office staff rarely accompany admissions officers on their recruiting missions. As a result, prospective students are not always provided with enough information to judge their own potential eligibility for student assistance.
- Newspapers (both campus and otherwise) are not generally used as vehicles for informing students about financial aid opportunities. Similarly, radio advertisements are not widely used to discuss the availability of financial assistance at the school[4]

- Financial aid information is mailed to parents on an infrequent basis, with wide variance from institution to institution.
- There is a general lack of community outreach. For example, appropriate use is not made of community centers and social service agencies as distributors of financial aid information.

RECOMMENDATIONS

This section focuses on suggestions for improving the delivery of accurate, straightforward, and timely financial aid information to students. Specifically, it concentrates on: 1) selecting the most effective medium for presenting financial aid information to students; 2) determining what information to include to address fully the needs of students; and 3) devising strategies for disseminating the information.

Developing Better Financial Aid Information

The first question to consider is, "What is the most effective medium for presenting financial aid information to students?" There is a wide variety of methods currently being utilized by institutions in their efforts to provide information to students, including:

- written materials such as financial aid handbooks, brochures, and pamphlets;
- seminars and other group sessions (e.g., orientations) conducted during or prior to the academic year by financial aid officers in order to discuss the programs and their rules and procedures;
- cassettes, videotapes, and films on each of the programs or on financial aid processes (e.g., application);
- advertisements and articles in student and public newspapers;
- on- and off-campus radio and T.V. advertisements;
- discussions led by institutional recruiters and high school guidance personnel;
- posters, student notices, and public announcements; and
- direct mailings to students, prospective students, and their families.

The above listing is not exhaustive, and other methods may suggest themselves as being better suited to your particular student audience. Probably the best solution is to utilize some combination of the above approaches. That is, the selection of one format for providing information to students does not preclude the use of others to reinforce or supplement it. For example, a school may initially elect to develop a handbook to serve as the student's basic reference on financial assistance. This information may be augmented in several ways, such as updating the information on a monthly basis and posting it in central locations on campus or publishing it in student newsletters. Furthermore, basic information can be supplemented through financial aid seminars conducted during each academic term and through the development of videotapes on the programs that can be viewed by

the student at his or her leisure. The latter two, however, require proper notice to maximize student attendance. Finally, radio advertisements may be employed as a supplementary measure to mention the availability of student financial aid as well as well as deadline dates for the application forms. As one financial aid administrator noted, "You have to communicate with students in many ways--visually, orally. The more ways you do this, the more likely they'll remember the message."

Once you have settled on the method(s) for providing information, your next major concern is to decide what information will most adequately respond to the desparate needs of a heterogeneous student population (e.g., high school students, 18 to 22 year olds, veterans, returning students, minorities, and part-time students). What constitutes "adequate" information is largely a subjective matter (i.e., what satisfies one student's needs may fail to meet another's). As such, to ensure that the information addresses the full range of student concerns, it might be fruitful to conduct a formal survey of prospective and enrolled students to see where the overlap of informational needs exists. Such a survey may also provide the aid office with clues as to where gaps in information currently exist. Similarly, you may wish to keep a record or tally of information requests made to the aid office to see which questions surface most often.

Since the majority of schools opt for providing written materials to students, the remainder of this discussion will focus on the organization and tone these documents should take. Nevertheless, the suggestions offered may be applicable to <u>any</u> informational approach.

It is a recognized fact that there is broad diversity among students at a given institution with respect to their ability to understand the same information. Students from varying cultural and academic backgrounds may not all possess the same level of comprehension. These differences among students make it difficult to determine the particular audience to which financial aid literature should be directed. Unfortunately, there is no single solution. It is another consideration that only can be identified and addressed at the institutional level.

As a first step in creating or refining information materials, it may be beneficial to collect examples of those developed by other schools, various states (particularly California and North Dakota), and the U.S. Education Department. In this way, the aid office can learn where its current materials are weak and how they might be improved.

To achieve the utmost effectiveness, financial aid information should be accurate, consolidated, and all-inclusive. Such an integrated and coordinated approach ensures that each point reinforces and complements the other points. In this way, students can obtain a comprehensive view of the financial aid system at a school and better understand how all parts relate to the whole. In contrast, separate fact sheets, unless used as supplements, present financial

aid information in an isolated fashion and are, therefore, limited in their ability to provide a unified picture. Additionally, they may be easily misplaced by the student.

Some of the best information materials are those that are totally self-contained (i.e., include everything pertaining to the financial aid process). An example is a large public university's financial aid packet which, in addition to the information specified in the Student Consumer Information Requirements, contains an aid application, an explanation of the school's aid packaging philosophy, a summary of the need analysis process for aid applicants, and examples of estimated family contributions. Equally important to the development of financial aid information are the following factors:

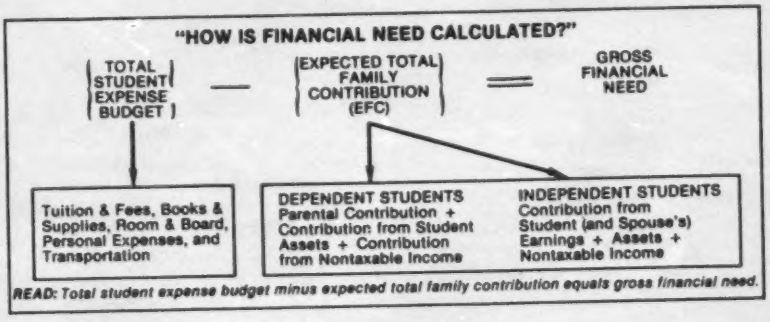
- The information should be organized in a meaningful fashion. Subheadings should be used to focus student attention on pertinent topics and issues.
- To minimize the apparent complexities and intricacies of the programs, information should be presented in the simplest terms possible. That is, it should be written with the student or parent as the intended audience.
- The information should have a personable tone. The use of first person singular often conveys this feeling (e.g., "How is my aid disbursed?" and "What are my rights?").
- The information should include a Glossary of Terms.
- Institutions should utilize student input, either in terms of the development of the information or its review. Some schools have established formal student advisory committees for this purpose to ensure that all pertinent areas are addressed and are easily understood. Other schools have simply sought the feedback of aid recipients and prospective recipients on an informal basis.
- If the institution is part of a larger system, attention must be given to the need to centralize and coordinate the development of information.
- Include graphic illustrations to reinforce an idea and to break up the monotony of the text. For example, one school's information packet contains a sample award letter with ballooned information pointing to and explaining specific points.

MODEL OF A STUDENT FINANCIAL AID INFORMATION PUBLICATION

The following is a listing of all components that should be included in the provision of financial aid information to students. The format and ordering of this information is suggested, as written below, to facilitate the student's understanding of the financial aid process. Note how the use of the first person singular conveys a personable tone. The question and answer format is also a useful tool for imparting information of this nature. Remember to use graphics throughout to illustrate and/or simplify concepts.

SECTION	CONTENTS
COVER	Include the title, year, and a graphic illustration. (If this information is to be displayed on horizontal shelves, you might consider printing the title on the bottom of the page to ensure optimal visibility.)
LETTER TO THE STUDENT FROM THE FINANCIAL AID ADMINISTRATOR	This letter should contain: the purpose of student financial aid; the intent of the information contained in the publication (e.g., to give students a fuller understanding of the complexities of the programs and to enable them to attain the needed assistance for pursuing a postsecondary education); and the Financial Aid Office location, hours of operation, telephone number(s), and the names of person(s) to contact (by program, if applicable).
TABLE OF CONTENTS	
APPLICATION FORMS AND DEADLINE DATES	Indicate where the forms are available and the individuals to contact for clarification or assistance in completing them. If each student is required to apply for a Basic Grant (or any other form of financial assistance), specify this fact here. Ideally, you should include all necessary applications for aid, detailed instructions for their completion, and samples of completed forms in the information packet.
"WHO IS ELIGIBLE FOR STUDENT FINANCIAL AID?"	This section should include information regarding the determination of eligibility and provide the student with a good idea of whether or not he or she may be eligible to receive assistance. Specifically, it should contain the following information:

- "How Do I Know If I Am Eligible?" Define eligibility criteria. If "satisfactory progress" is different for financial aid than for the rest of the institution, state this here.
- "How Does the School Determine My Award?"
  - explain the process used to determine the student's need;


"HOW IS FINANCIAL NEED CALCULATED?"
TOTAL STUDENT EXPENSE BUDGET
—
EXPECTED TOTAL FAMILY CONTRIBUTION (EFC)
=
GROSS FINANCIAL NEED
Tuition & Fees, Books & Supplies, Room & Board, Personal Expenses, and Transportation
DEPENDENT STUDENTS
Parental Contribution + Contribution from Student Assets + Contribution from Nontaxable Income
INDEPENDENT STUDENTS
Contribution from Student (and Spouse's) Earnings + Assets + Nontaxable Income
READ: Total student expense budget minus expected total family contribution equals gross financial need.

  - discuss the school's packaging philosophy (e.g., "All students must assume loan responsibilities which are to be repaid after graduation. More information about loans is provided on page ____.") Similarly, if your institution does not award loans to first-year students, or if all awards begin with some form of self-help, indicate these facts here;
  - define dependent and self-supporting students;
  - furnish examples of budgets for different types of students for each budget component;

SECTION

"WHO IS ELIGIBLE FOR STUDENT FINANCIAL AID?"

CONTENTS

"How Much Will It Cost Me To Attend XYZ University?"[1]

	Single Dependent Living Off-Campus	Single Dependent Living On-Campus	Single Independent Living Off-Campus	Married Independent Living Off-Campus
Tuition and Fees[2]	$XXX	$XXX	$XXX	$XXX
Books and Supplies	$XXX	$XXX	$XXX	$XXX
Room and Board	$XXX	$XXX	$XXX	$XXX
Personal[3]	$XXX	$XXX	$XXX	$XXX
Transportation	$XXX	$XXX	$XXX	$XXX
TOTAL	$XXXX	$XXXX	$XXXX	$XXXX

[1] Based upon full-time attendance over nine-months for undergraduate students.

[2] These figures are for state residents. Nonresidents should add $XXX for tuition and fees.

[3] Personal expenses include average medical and dental costs.

A budget allowance of $XXX for the first child, and $XXX for each additional child is added to the cost of education for a student who is also a parent. Assistance may be requested for actual child care costs up to $XXX per child.

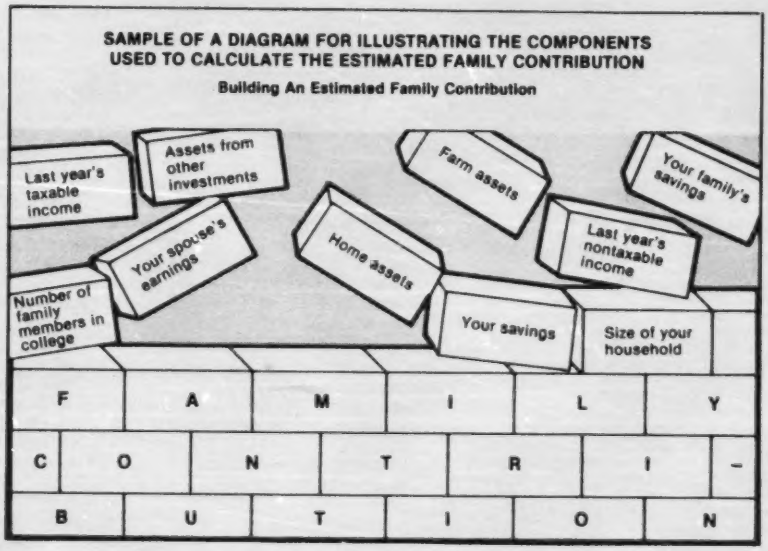
In addition, students in the following programs receive an additional allowance because of extraordinary classroom expenses.

	1st year	2nd year	3rd year	4th year	5th year
Veterinary Medicine	$XXXX	$XXX	$XXXX	$XXX	$ X
Architecture	XXX	XXX	XXX	XXX	XXX
Nursing	X	X	XXX	XXX	X
Pharmacy/Fine Arts/ Engineering	XXX	XXX	XXX	XXX	X

— explain Estimated Family Contribution (EFC) and the factors used to determine it;

— explain Expected Student Contribution (ESC) and provide a listing of sources from which the student can obtain such resources. (If the ESC varies according to class level, dependency status, and marital status, furnish examples.) It is important at this time to include the summer savings expectations for students. This is especially crucial for first-year students;

SAMPLE OF A DIAGRAM FOR ILLUSTRATING THE COMPONENTS USED TO CALCULATE THE ESTIMATED FAMILY CONTRIBUTION



— provide examples of typical award packages for different types of students (e.g., single, state resident, dependent, living at home, first-year student vs. married, state resident, independent, living at home, first-year student, etc.); and

— explain what to do if student circumstances change or otherwise necessitate a change in the aid package. Stress the need to contact the aid office immediately in such cases.

SECTION

"WHAT FINANCIAL AID PROGRAMS ARE AVAILABLE AT XYZ UNIVERSITY?"

CONTENTS

Briefly indicate that XYZ offers a variety or programs which are intended to help defray the cost of education and that most student awards are made up of a combination of programs, constituting a package. Be sure to indicate whether any of the programs require separate application. Then discuss each of the following:

Grants. Emphasize that grants do not have to be repaid. Provide a complete listing of all grant programs in which the school participates. For each, indicate whether students are required to apply, discuss eligibility criteria (e.g., exceptional financial need, class level, grade point average, etc.), and provide award ranges.

SAMPLE DISCUSSION OF GRANT PROGRAMS

Students attending XYZ University may be eligible to receive grants to help meet the costs of their education. All grants are awarded on the basis of financial need. Additionally, some also take academic achievement into consideration. A grant does not have to be paid back. Below is a discussion of each of the grant programs in which XYZ University participates for which you may be eligible.

"Grant A" is a Federal grant which is awarded entirely on the basis of financial need. It is the basic component of your total financial aid award, and all undergraduate students are required to apply for it. To do so, simply check the "yes" box in the Grant A section of the application form (Question IIN). The amount of your grant is determined by a Federal formula which applies to all students throughout the nation. Currently, awards may range from $XXX to $XXXX per year, depending on your family's financial need.

Scholarships. Indicate that scholarships need not be repaid. List available institutional scholarship programs. In addition, provide information on noninstitutional scholarships (e.g., corporate, union, etc.) that are especially applicable to your student body. For each scholarship program, explain the application process and any factors that are considered in awarding it (e.g., academic excellence as defined by a 3.5 grade point average).

Loans. Stress the fact that loans must be repaid after the student leaves the school and discuss loan responsibilities (e.g., entrance and exit interviews). Explain each of the loan programs offered in terms of the criteria for awarding, maximum award levels, and loan terms (i.e., interest rates, repayment information, etc.). Provide a sample repayment schedule.

Sample NDSL Repayment Schedule[1]

The following is a sample repayment schedule for a student who borrowed $1,000. A student must begin to repay this loan 9 months after he or she leaves school. The minimum repayment is $90.00 every quarter, plus interest which is computed at 3 percent per year on the unpaid balance. (Note that individual loans will vary. Should you receive a loan, you will be provided with an actual repayment schedule which reflects your true loan amount.)

Outstanding Loan Principal	Net Interest	Principal Repayment	Total Repayment	Repayment Number
$1000	$7.50	$90.00	$97.50	1
910	6.82	90.00	96.82	2
820	6.15	90.00	96.15	3
730	5.47	90.00	95.47	4
640	4.80	90.00	94.80	5
550	4.12	90.00	94.12	6
460	3.45	90.00	93.45	7
370	2.77	90.00	92.77	8
280	2.10	90.00	92.10	9
190	1.42	90.00	91.42	10
100	.75	90.00	90.75	11
10	.07	90.00	10.07	12
Total	45.42	1,000.00	1,045.42	

NOTE: A separate repayment schedule of $90.00 every quarter will be required from each school a student attends, if a loan is awarded. Loans from different schools may not be combined into a single $90.00 quarterly payment.

[1] The above repayment schedule is based on Plan 2, equal payments of principal plus payment of interest on the unpaid balance. Naturally, the repayment schedule published in your information materials should reflect the actual repayment plan utilized by your institution.

SECTION	CONTENTS	
"WHAT FINANCIAL AID PROGRAMS ARE AVAILABLE AT XYZ UNIVERSITY?"	Work-Study and Other Student Employment Programs.	Discuss each work-study program offered, the maximum number of hours a student is allowed to work, range of wages, and types of employment available to students (non-profit organizations on- and off-campus). Explain the process for job placement.
	Other Sources of Aid.	This category consists of programs such as Veteran's Benefits, Social Security, special aid sources for women and minority students, etc., for which students may qualify. In addition, include information on other local forms of public assistance (e.g., food stamps) for which students may be eligible. For each, explain the factors considered in determining eligibility and indicate whom to contact for more information.
"HOW AND WHEN DO I APPLY FOR FINANCIAL AID?"		Explain how to apply as well as where and when to mail each of the forms. If funds are limited and awarded on a first come, first served basis, stress this fact here. This is also a proper place to include an overview of the aid application(s), possibly highlighting the "trouble spots" on the application form(s).
"HOW AND WHEN WILL I BE NOTIFIED OF MY AWARD?"		Explain the notification process for both eligible and ineligible students, and specify what steps must be taken by eligible students to receive the funds. To simplify this process, you may wish to include a sample award letter with ballooned comments pointing to specific information the student must verify as well as noting where the student must sign. This is particularly useful for explaining what students must do to accept or reject their awards.
"HOW WILL MY FINANCIAL AID BE DISTRIBUTED?"		Explain the disbursement process (e.g., credited to student account vs. cash vs. payment by check). If the student is to receive cash or a check, indicate whether or not he or she must pick it up, where and when to do so, and any information the student must have with him or her to do so (e.g., valid student ID card).
"UNDER WHAT CIRCUMSTANCES MIGHT I LOSE MY AWARD?"		State all factors that bear upon this, including not maintaining a satisfactory academic standard, changes in income or resources, change of dependency status, etc. Include information on how students who have dropped below a satisfactory academic standard may reestablish eligibility. This section should include all requirements for continued eligibility.
"WHAT ARE MY RIGHTS AND RESPONSIBILITIES?"		Detail all information pertaining to the rights and obligations of students receiving Federal grants and loans and explain the rationale behind each.
GLOSSARY OF TERMS		Students may need explanations of such terms as "financial aid package," "need analysis," "FAF," "NDSL," or other financial aid buzzwords and/or abbreviations used in the information provided to them.
OTHER INFORMATION		In addition, schools must provide information on their refund policy, academic programs, student retention, and the number and percentage of students completing a particular program, if available. If you do not include these in your financial aid information materials, reference the documents where they may be found.

DISSEMINATING INFORMATION

Even the best information will be of little value if it is not received by students at the time it is needed. If the information merely sits on a shelf in the financial aid office and students do not read it, it simply is not serving its intended purpose. If the information is to have the maximum impact, it is essential to develop dissemination approaches that are tailored to reach different audiences. Bear in mind that the financial aid office cannot work in isolation in providing information to students. Rather, it must be integrated with other "student service" departments (admissions, counseling, student employment centers, etc.) to ensure that students receive the "whole picture" as opposed to tidbits of disjointed information. By centralizing this function, the

financial aid office is better able to control the accuracy of the information provided to students.

The following are examples of successful strategies for disseminating financial aid information to prospective and continuing students:

- Distribute financial aid information outside of the financial aid office to make it more accessible to students. Student unions, gymnasiums, dormitories, academic buildings, cafeterias, auditoriums, and libraries are all examples of locations where financial aid materials can be distributed.
- Make direct mailings to students, prospective students, and their families regarding available financial aid opportunities at your institution.
- Television and radio spots can be somewhat effective tools for informing students about your school and the availability of financial aid, particularly as the application deadline date draws near. One school with a large Hispanic population makes radio announcements in Spanish to apprise individuals of the programs and the impending deadline for application forms. In and of themselves, however, these media have a very limited impact and, thus, should not be relied upon as the sole vehicle for providing information.
- Place an advertisement for the institution in local newspapers before each academic term. These advertisements should mention the student assistance programs in which your school participates and list the names and telephone numbers of persons to contact for additional information.
- If fiscal constraints temper an aid office's ability to disseminate information to all prospective students, applications can be redesigned to include a space in which the student checks a box if he or she is interested in receiving financial aid information. (Be sure to coordinate with the Admissions Office to guarantee that all such requests are communicated to the aid office.)
- Conduct formal training sessions for admissions officers, alumni, and athletes who are involved in recruiting students so that they are able to provide basic, accurate information. During this training, caution such individuals to refer students to the aid office to obtain more detailed information. In addition, equip these individuals with financial aid literature for dispersal to students.
- Be available to discuss financial aid at orientation and registration sessions. Be sure to take along copies of pertinent information materials.
- Send postcards to all registered students shortly before the application deadline stating that applications are nearly due and are available in the financial aid office.
- Publish application deadline dates in campus-wide publications, along with a statement that application forms and other

pertinent information are available in the financial aid office and other locales.

- Require every aid recipient to attend a financial aid session each academic term to foster awareness and understanding of the programs. Furthermore, institutions placing prime value on this tactic may choose to withhold funding until the student attends this session.
- Prepare a videotape presentation detailing important aspects of the financial aid process for aid applicants and/or recipients.
- Publish financial aid information updates monthly and distribute them to a variety of prominent locations around your school.
- Send financial aid announcements to all campus administrators and faculty stating that financial aid information is available. Request them to relay this announcement to students.
- Incorporate secondary school guidance personnel into the information dissemination process. There are several ways to accomplish this, including the following:

  — Distribute financial aid literature to guidance counselors in every high school in the area;

  — Hold financial aid workshops with high school guidance counselors. These can serve as a forum for updating them on the current "state-of-the-art" as well as introducing new counselors to the nuances of financial aid;

  — Conduct a "Guidance Day" for high school guidance counselors at your office. By observing your operation, they may attain a better understanding of the entire aid process and, therefore, be better equipped to explain it to their students. Guidance Days and financial aid workshops provide an excellent opportunity for gaining the input of high school guidance counselors with regard to their special needs;

  — Several times each year, mail to every guidance counselor in the area a newsletter that highlights new strides in student financial aid. In conjunction with this newsletter, send out a card with the names, phone numbers, and, if applicable, the specific program responsibilities of the financial aid officers at your school so that students and their parents can call with questions;

  — Conduct "Parent Nights" at which time financial aid materials are distributed; the programs, application process, and disbursement procedures are discussed; and applications are handed out with detailed instructions for completion. Distribute cards with names and phone numbers of your aid office personnel so parents can call with questions. Also, when meeting with parents it is important to stress that the confiden-

tiality of all information they are asked to submit is protected; and

— Consider coordinating these efforts with other postsecondary institutions in the surrounding area.

- Become involved in community outreach activities. Distribute financial aid literature to community centers (e.g., shopping malls, supermarkets, recreation areas, libraries, community counseling centers, etc.) and local social service agencies.
- Make personal appearances at community centers and social service agencies to discuss the programs. (NOTE: So that you won't be speaking to an empty room, make sure that there is sufficient advance notice of such events.)

Finally, it may be useful to coordinate your financial aid information dissemination activities with other existing educational outreach efforts. In doing so, you can increase the likelihood of extending information services to a wide range of prospective students.

The Talent Search and Educational Opportunity Center components of the TRIO Programs place particular emphasis on information outreach. These programs are designed to provide disadvantaged youths with information and counseling on student financial aid in an effort to encourage them to enter, continue, or resume programs of secondary and postsecondary education. If you are interested in coordinating your information dissemination activities with the TRIO Programs, contact the projects in your state or the U.S. Education Department.

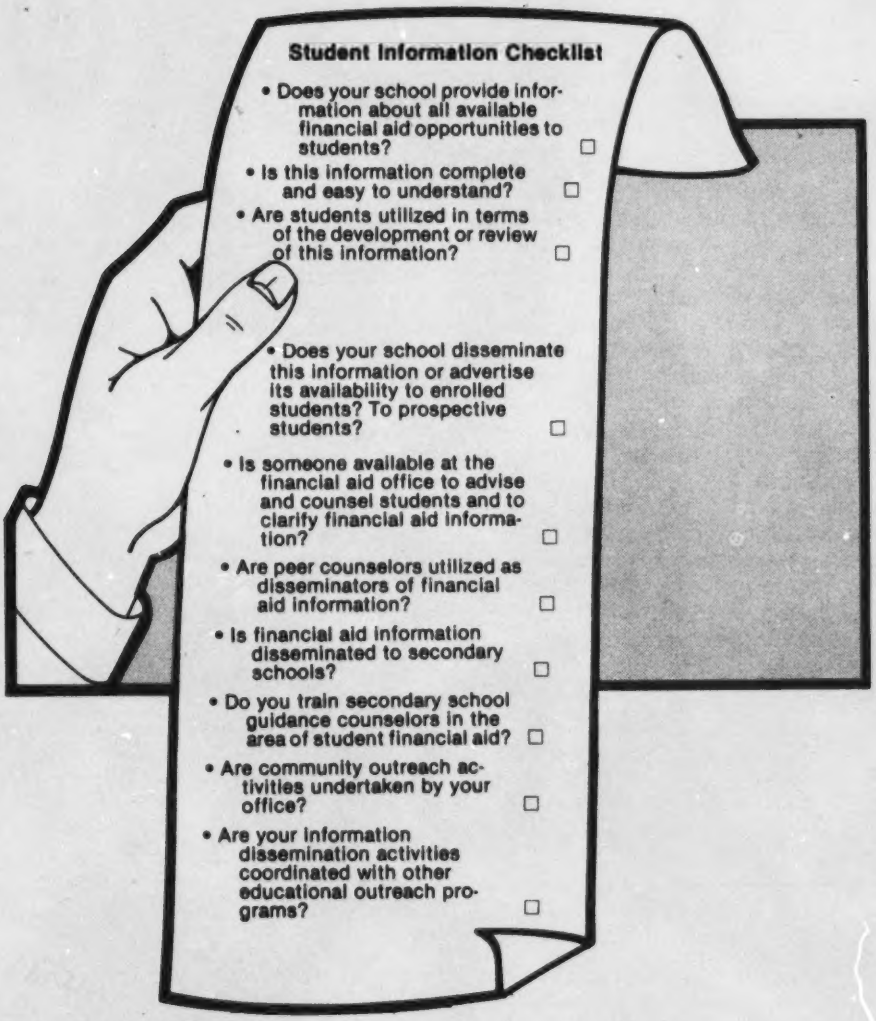
Similarly, Educational Information Centers (EICs) provide counseling and disseminate information about financial assistance and educational and training opportunities at postsecondary schools within participating states. These efforts are targeted at low-income, educationally disadvantaged, and handicapped individuals as well as at returning adults. Each state determines how EICs coordinate information dissemination with postsecondary schools. In some states, the institutions themselves initiate such coordination, while in others coordination is initiated by the state EIC program. For more information, contact your state EIC program.

Additionally, as specified in Title I of the Higher Education Act of 1980, states may use Federal and state funds to establish student financial aid data banks. One such effort, developed by the State of Oregon, makes computer terminals available to students and prospective students to furnish them with comprehensive information about financial aid opportunities at postsecondary schools in the state. In using this system, students enter personal characteristics and specifications (e.g., family financial data, postsecondary schools of interest, etc.) and receive printouts containing student financial aid data geared toward their individual circumstances (e.g., likely award amounts and probable contributions for specific schools, etc.). Contact your state program for additional information about coordinating dissemination activities with your school.

COORDINATING THE PROVISION OF WRITTEN INFORMATION WITH COUNSELING SERVICES

For students already attending postsecondary schools and for students whose decisions on enrollment and continuance are based on financial considerations, financial aid counseling can be a critical service. Indeed, it is the only means for dealing effectively with the particulars and circumstances of an individual student.

Since counseling, by nature, is a very personalized -- and therefore potentially a very effective -- instrument for communicating information, it can serve to overcome motivational and alienating barriers to postsecondary education. The printed word is no substitute for personal contact; to distribute a financial aid pamphlet to a student is not a sufficient means, in and of itself, to address the full range of individual needs and circumstances. Unless written information is accompanied by or followed up with some form of financial aid counseling, many of the student's questions will remain unanswered -- a situation which frequently creates confusion and misconceptions. It is crucial, therefore, that written information and financial aid counseling complement one another, with the former serving as a basic foundation and the latter serving to supplement and enhance student and parent knowledge. The use of peer counselors as disseminators of financial aid information has proven to be effective in a number of instances. Newly enacted Federal legislation providing funds for peer counselor training may further encourage their use.


Student Information Checklist
• Does your school provide information about all available financial aid opportunities to students?
• Is this information complete and easy to understand?
• Are students utilized in terms of the development or review of this information?
• Does your school disseminate this information or advertise its availability to enrolled students? To prospective students?
• Is someone available at the financial aid office to advise and counsel students and to clarify financial aid information?
• Are peer counselors utilized as disseminators of financial aid information?
• Is financial aid information disseminated to secondary schools?
• Do you train secondary school guidance counselors in the area of student financial aid?
• Are community outreach activities undertaken by your office?
• Are your information dissemination activities coordinated with other educational outreach programs?

END NOTES

[1] National Task Force on Student Aid Problems, Draft Final Report (Washington, D.C.: U.S. Office of Education, Bureau of Postsecondary Education, 1975).

[2] Bureau of Student Financial Aid Bulletin. USOE: February 1978, p. 5.

[3] Of those students who did not apply for financial aid, 87.8 percent felt they were ineligible for such assistance, and another 10 percent indicated that they did not know about financial aid.

[4] It should be noted that T.V. and radio spots are not viewed by the general aid community as primary information tools. Rather, the best use of these media appears to be as part of an overall information dissemination strategy.

5

FINANCIAL AID COUNSELING FOR SPECIAL STUDENT POPULATIONS

INTRODUCTION

If all colleges attracted the same student type, namely the recent high school graduate, there would be no need for this section. Financial aid officers could use one standard counseling approach, and one student budget, and package only the more traditional forms of aid, namely the Campus Based and Basic Grant funds. But in reality, such homogeneity in a student body is rare if not nonexistent. With postsecondary schools constantly expanding their recruiting markets, today's institutions are becoming more and more a mix of variant student types. Minorities[1] and older women[2], for example, contribute more to the make-up of academe than ever before. With this increase in diversity comes a responsibility on the part of the financial aid community to address a new and broader set of student needs. It is the purpose of this chapter to suggest methods by which many of these needs can be met. Realizing that this section cannot address every concern an aid administrator may have in the area, a listing of suggested readings is included at the close of the chapter.

DEFINING SPECIAL STUDENT POPULATIONS

What is meant by the term "special student populations"? From interviews with financial aid personnel, it was learned that most financial aid officers label certain student types as representative of special or nontraditional populations. These include: (a) minorities (blacks, hispanics, native americans); (b) the handicapped; (c) women, especially those who are divorced or single with dependents; (d) married students with dependents; (e) foreign students; and (f) veterans.

While institutions tend to be more categorical in their definitions, much of the related literature defines special student populations in a broader sense. One author refers to these students as "financially independent from their parents . . . older than the traditional student . . . more likely to be a minority or women."[3] Another classifies them as "coming from low-income families . . . having been suddenly shifted out of situations where others cared for their needs."[4] A somewhat more detailed definition is presented in Making It Count, a publication of the College Entrance and Examination Board:

> The nontraditional student population is generally defined by what it is not. It is not the typical high school senior making a first entry into some form of postsecondary activity. It is a large group of individuals with diverse characteristics who for a variety of reasons reenter the educational system.[5]

From the definitions presented above, the meaning of special student populations becomes clearer. Although it may refer to students of a certain ethnic minority or socioeconomic group, it more importantly represents a group with a unique set of needs and concerns.

WHY THE NEED FOR SPECIAL COUNSELING?

From the 172 schools surveyed in the Study, it was found that nearly 70 percent do not provide any type of special financial aid counsel-

ing to nontraditional student groups. When asked why such counseling was not performed, most aid officers claimed either: (a) a lack of need to perform such counseling; or (b) a lack of understanding and/or training in the area of special populations counseling.

It is to the institutions citing the second reason, namely a lack of understanding of the special counseling process, that this section is primarily directed. To help overcome this lack of understanding, this chapter reviews four areas that can assist institutions in the development of an aid counseling program for special student populations. These include: (1) identification of special student populations; (2) dissemination of student information on special aid programs; (3) design of a counseling program that will address the needs of these special students; and (4) maintenance of a working relationship with the sponsors of these special aid programs. Recognizing that some institutions may simply be unaware of the major special aid sources, a detailed listing of these sources is also presented at the close of this chapter.

TECHNIQUES USED TO IDENTIFY STUDENTS IN SPECIAL POPULATIONS

One of the first priorities for the aid administrator in developing a special counseling program is to identify the students or groups of students to which this program will apply. Several methods or combinations of methods from which the aid officer may select have been offered by institutions of various types and are presented below. But these are only suggestions and may not adapt well to your institution's unique circumstances or needs. In this area, as in nearly all other areas of management, it is essential for institutions to adjust such guidelines to fit their own circumstances.

- Use of the Institutional Aid Application: The student may identify his or her special population status by checking an appropriate box on the institutional aid application. By doing this, an institution is able to identify a student's minority status and if he or she may be entitled to benefits from special governmental or private programs. Space is also provided for the student to explain any special circumstances such as being divorced, widowed or handicapped. Another box may be available for a student to check if he or she wants further financial aid literature or to speak with an aid counselor. An example of such a series of questions is presented below:

*To determine if you are eligible for any minority group aid programs, please indicate your ethnicity below:

☐ *Black* ☐ *American Indian* ☐ *Hispanic* ☐ *Caucasian* *Other (specify)* _____

Please indicate if you are entitled to:

☐ *Social Security Benefits*
☐ *Vocational Rehabilitation Benefits*
☐ *Veterans Administration Benefits*
☐ *CETA Educational Benefits*

☐ *I would like to speak with a counselor about one or more of the programs checked at left.*
☐ *Please forward more information on programs checked at left.*

Please describe any unusual circumstances (such as divorce, death of spouse or physical handicap) which may make you eligible for consideration of special aid sources.

_____

_____

_____

- Use of Need Analysis Materials. A somewhat less efficient but perhaps more convenient method would be to examine the College Scholarship Service (CSS), American College Testing Program (ACT) or Basic Educational Opportunity Grant (BEOG) need analysis reports to identify any special income or family circumstances that may make a student eligible for nontraditional aid funds. This method would be especially valuable to institutions that do not make use of an institutional aid application.
- Use of Counseling Sessions. Another method is simply to identify these special students during individual counseling sessions. In this setting, special circumstances or minority membership of the student can be brought to the attention of the aid officer. This technique is not, however, limited to use by financial aid administrators alone. Admissions officers may identify these students during entrance interviews, high school campus visitation programs or orientation sessions. Faculty members or peer counselors may do the same during academic planning interviews. Once identified, special students can then be referred to the financial aid office for further information and counseling.

DESIGNING AND DISSEMINATING INFORMATION ON SPECIAL AID PROGRAMS

Chapter 4 of this publication underscored the importance of developing effective publications to inform students of the availability of financial aid. Included in such publications must be a review of special aid funds, whether they be from governmental or private sources.

Most institutions provide some information on special aid funds either in the general catalogue or in a separate financial aid

brochure. The aid officer should consider including in both of these publications the following listing of programs which is based upon the review of numerous institutional aid sources, and discussions with practicing aid personnel:

- Vocational-Rehabilitation Educational Benefits;
- Veterans Administration Educational Programs (including GI Bill);
- Social Security Benefits for Students;
- Grant and scholarship programs for Minority Students (Blacks, Hispanics, Native Americans);
- Special Programs for Women; and
- Educational Benefits of the Comprehensive Employment Training Act (CETA).

The detail with which each program is presented will depend upon the make-up of the institution's student body or other factors. The purpose, eligibility, amount, and type of assistance available should be included in the description of each program.

Because of rising publication costs, few institutions would find it worthwhile to produce a brochure dealing exclusively with special aid programs. An alternative to this may be to publish a realtively inexpensive "fact sheet" that would describe these programs in detail. This fact sheet could be given to appropriate students as a supplement to the information presented in other institutional publications. It would also help to impress upon these students the importance of investigating any and all programs for which they believe they may be eligible.

Aid personnel may also want to use student or community newspapers to disseminate information. Two approaches can be used with this medium in mind. First, a short description of each program can be provided periodically along with the name, address, and phone number of an individual who can supply further details. A second and perhaps more novel idea would be to publish a series of articles, each focusing on one particular program. In one issue, social security benefits might be discussed, with grants for hispanic students following in another. Each article should be concise enough (100-200 words) to present the information without losing the interest of the reader. A sample article appears below:

Social Security Can Help Students Too

Did you know that the Social Security Administration provides monthly payments to college students who meet certain criteria? With today's college costs soaring, parents and students need to investigate all potential aid sources, and this one might be available to you.

If a student is between the ages of 18-22 and has a retired parent who participated in the social security program, that student may be eligible to receive monthly social security benefit checks. This assitance is also available if the student's parent is deceased or disabled.

The student must be in attendance at an accredited college, junior college, trade or vocational school on a full-time basis. Payments can continue during vacation periods of not more than four months if the student was enrolled full-time before the vacation period started and if he/she intends to return on a full-time basis once the vacation ends.

Checks will stop if the student marries, stops attending school or reduces attendance below full-time. Payments are not available to students who are attending school at the request or demand of an employer.

Checks can be paid directly to the student or, on his/her behalf, to a parent or some other person who is responsible. If a student is eligible for benefits but applies late, he/she can get back-payments for up to 12 months.

For further details, contact the Metro area Social Security office at 555-5555. For information on other financial aid programs, visit the Office of Financial Aid at XYZ College, 9-5 daily. Or phone a financial aid representative at 555-4444.

COUNSELING STUDENTS ON SPECIAL AID PROGRAMS

It is important for aid administrators to recognize the limitations of student aid literature and that it cannot be treated as a substitute for personal financial aid counseling. For this reason, it is strongly recommended that some type of counseling program be established to augment the literature on special aid programs. This counseling might be conducted through the traditional one-on-one design or in a group setting. The latter may prove useful during a registration or orientation period.

Many aid officers have indicated that the one-on-one method is the most effective approach to special populations counseling. Some aid officers have used this method in a variety of ways. One such approach is to use members of special populations to counsel similar students. For example, returning women may be more apt to reveal their personal problems (e.g., divorce complications) to another woman who has gone through a similar situation. Similarly, handicapped students may perceive that a similarly disabled counselor will be more empathetic towards their emotional and financial concerns. Some aid offices employ peer counselors for just this purpose, not necessarily as trained financial aid counselors, but as facilitators who may best be able to identify the needs of special students.

Special populations counseling need not be separated from the more standard counseling sessions that center on the Basic Grant or Campus Based aid programs. In the same light, the training of aid counselors in the area of special aid programs should not be separated from the overall financial aid training process. Directors should make an effort to review with new counselors not only the eligibility criteria for these programs but also the institution's administrative responsibility for each program. The workshops sponsored by many state and regional aid associations help new and experienced aid officers understand nontraditional aid programs and the needs of the students these programs serve.

Once schooled in the specifics of each program, the counselor must be sure to review the following topics with each special student identified:

- program eligibility requirements;
- type and amount of aid available;
- application deadlines;
- award and payment processes;
- possibility of award renewals;
- name, address, and phone number of agency sponsoring program;
- degree of institutional responsibility in administering program;
- circumstances that may nullify a student award; and
- student rights and responsibilities regarding the receipt of such aid.

As with other financial aid couseling, the aid officer may want to conduct "follow-up" sessions for returning students. These would help students stay abreast of program changes and reapplication procedures.

RELATIONSHIP WITH FUNDING AGENCIES

Most, if not all, institutions realize the importance of maintaining a working relationship with the agencies sponsoring special aid programs. Periodic telephone contact is perhaps the most common means used by institutions to check on administrative matters. To help simplify such contact, the phone number of each program sponsor is contained within the listing of special aid sources in the next section of this chapter. Aid officers are encouraged to contact the agencies on a regular basis.

To alleviate the burden of having one aid officer deal with all of the individual programs, some institutions assign different programs to different counselors. For example, one officer may handle the VA and Vocational Rehabilitation programs while another handles all minority programs. At the close of each academic year, counselors could switch their program responsibilities so that over a period of years, all would become thoroughly familiar with each program and also understand the inner workings of each sponsoring agency.

LISTING OF SPECIAL AID SOURCES FOR UNDERGRADUATE STUDENTS

After a detailed review of the financial literature related to special populations counseling, it is apparent that a comprehensive listing of the more common special aid programs is not currently available. Such a listing is provided below to help financial aid administrators better understand the scope and purpose of these programs. Notice that the programs are arranged according to the type of students they are designed to serve (e.g., minority, Veterans, etc.). All programs are available to undergraduate students. More information of each program may be obtained by writing or phoning the appropriate program sponsor.

NATIVE AMERICANS

Bureau of Indian Affairs
Office of Education Programs
Albuquerque, N.M. 87103
Phone: (505) 766-3065

Higher Education Assistance Program

Purpose and Eligibility: To aid Native Americans in attending institutions of higher learning. This grant program is available to students who are at least one-fourth degree or more American Indian, Eskimo or Aleut and enrolled in an accredited postsecondary institution.

Type and Amount of Assistance: Grant awards vary, depending on financial need of student. Awards are available for each year of undergraduate study. Specific details should be obtained from the area office serving the applicant's tribe.

Office of Indian Education
Department of Education
FOB 6, Room 2165
Washington, D.C. 20202
Phone: (202) 245-8298

Indian Fellowship Program

Purpose and Eligibility: To provide financial assistance to American Indians pursuing undergraduate education in engineering, business administration, or natural resources. Candidates must demonstrate financial need and possess a strong academic record. The student's service to the American Indian Community and his or her potential for success are also examined.

Type and Amount of Assistance: Grant awards generally range from $500 to $1.600. Under some circumstances, students may also be provided with a stipend to help cover personnel expenses.

United Scholarship Service, Inc.
P.O. Box 18285
Capitol Hill Station
941 East 17th Avenue
Denver, CO. 80218
Phone: (303) 861-1052

United Scholarship Service (USS)

Purpose and Eligibility: To offer financial assistance to undergraduate American Indian students. As a prerequisite to receiving USS funding, an applicant must first apply for financial assistance through the Department of Education and the Bureau of Indian Affairs.

Type and Amount of Assistance: Grants range from $300 to $1,000.

BLACK AND HISPANIC STUDENTS

National Scholarship Services
and Fund for Negro Students
1776 Broadway
New York, N.Y. 10019
Phone: (212) 840-3170

The National Scholarship Service and Fund for Negro Students (NSSFNS)

Purpose and Eligibility: The National Scholarship Service and Fund for Negro Students is a free college advisory and referral service available to high school seniors throughout the U.S. To students who make use of this service, NSSFNS makes available a number of grant scholarships. The awards are made to students attending their first year of undergraduate schooling and may be renewed for a second and third year.

National Scholarship Services and Fund for Negro Students
1776 Broadway
New York, N.Y. 10019
Phone: (212) 840-3170

Type and Amount of Assistance: Scholarship awards range from $300 to $1000. Each award is based on both need and academic ability.

National Achievement Scholarship Program for Outstanding Negro Students

National Merit Scholarship Corporation
Evanston, IL. 60201
Phone: (312) 866-5100

Purpose and Eligibility: To provide financial scholarships to academically talented black students. Competition for these scholarships is based on student test scores for the Preliminary Scholastic Aptitude Test/National Merit Scholarship Qualifying Test (PSAT/NMSQT). Candidates must be high school seniors who plan to pursue a college level program leading to a traditional baccalaureate degree.

Type and Amount of Assistance: Although winners are selected on the basis of test performance, the scholarship amount is determined on the basis of financial need. Approximately 200 scholarships are awarded annually.

Student Opportunity Scholarships

Student Opportunity Scholarships
Financial Aid for Studies
475 Riverside Drive, Room 430
New York, N.Y. 10027
Phone: (212) 870-2515

Purpose and Eligibility: Scholarships are provided for students of limited opportunities who are of an ethnic minority group and who are members of the United Presbyterian Church of the USA. Awards are based on financial need, scholarship, and leadership abilities. Applicants must be entering college as incoming freshmen.

Type and Amount of Assistance: Scholarships range from $1,400, depending upon demonstrated financial need.

National Hispanic Scholarship Fund

National Hispanic Scholarship Fund
P.O. Box 748
San Francisco, CA. 94101

Purpose and Eligibility: The National Hispanic Scholarship Fund is an organization that provides scholarship awards to deserving students of Mexican-American, Puerto Rican, Cuban, Caribbean, Central American, or South American heritage. Candidates must be U.S. citizens and have completed two quarters or one semester of postsecondary schooling.

Type and Amount of Assistance: Scholarship amounts vary. Recipients are selected primarily on academic achievement, leadership, and recommendations from school officials.

HANDICAPPED STUDENTS

Vocational Rehabilitation Educational Benefits

Special Education Rehabilitation Services
Department of Education
400 6th St. S.W.
Washington, D.C. 20702
Phone: (202) 245-9661

Purpose and Eligibility: To provide financial assistance to individuals with disabilities considered to be handicaps to employment. A candidate's participation in this program must be approved by a local Vocational Rehabilitation office.

Type and Amount of Assistance: Grant awards vary, depending on nature of disability and educational costs. Some jurisdictions also require that a student show financial need. Contact your state Vocational Rehabilitation office for specific details.

WOMEN

Diuguid Fellowships

Council of Southern Universities
795 Peachtree Street, N.E.
Suite 484
Atlanta, GA. 30308
Phone: (404) 874-4891

Purpose and Eligibility: To provide assistance to women whose career or education have been interrupted due to marriage or family responsibilities. Candidates must be at least 21 years of age and reside in the Southern region of the United States.

Type and Amount of Assistance: Grant assistance varies from $3,600 to $8,000 per year. Awards made primarily on basis of financial need. Candidate's academic record and potential for completing the program of study is also reviewed. Approximately 25 awards are made annually.

Career Advancement Scholarship

Business and Professional Women's Foundation
2012 Massachusetts Ave. N.W.
Washington, D.C. 20036
Phone: (202) 293-1200

Purpose and Eligibility: To provide educational assistance to women pursuing academic or vocational programs. Candidates must show financial need and must be at least 25 years of age.

Type and Amount of Assistance: Maximum scholarship award is $1,000 per year. Reapplication for additional years may be made. Applicants must demonstrate financial need, career potential and plans for using educational training in career development.

Business and Professional
Women's Foundation
2012 Massachusetts Avenue, N.W.
Washington, D.C. 20036
Phone: (202) 293-1200

Clairol Loving Care Scholarship Program

Purpose and Eligibility: To provide scholarship assistance to women 30 years or older who are continuing postsecondary education to achieve career goals. The program is sponsored by the Business and Professional Women's Foundation (address above).

Type and Amount of Assistance: Scholarships are available up to $1,000. Scholarships are awarded on the basis of need, merit, and relevancy of educational studies to career goals.

VETERANS

Veterans Administration
Central Office
810 Vermont Ave., N.W.
Washington, D.C. 20420
Phone: (202) 393-4120

GI Bill Educational Training

Purpose and Eligibility: Eligibility is extended to veterans who served on active duty for more than 180 continuous days (part of which must have occurred after January 31, 1955, but before January 1, 1977) and who were released under conditions other than dishonorable, were discharged, or who continue on active duty. Eligibility is also extended to individuals who contracted with the armed forces and were enlisted in or assigned to a reserve unit prior to January 1, 1977 and who as a result of enlistment or assignment, served on active duty for more than 180 days, any part of which began within 12 months after January 1, 1977. Also, if a veteran has served in the Reserves or National Guard and later serves for one consecutive year or more on active duty, the active duty for training time initially served shall be treated as active duty for VA education purposes.

Type and Amount of Assistance: While attending an approved postsecondary institution, eligible veterans are entitled to a monthly educational assistance allowance. The available allowance is dependent upon the enrollment status the student assumes, as is depicted in the table below.

Enrollment Status	No Dependents	One Dependent	Two Dependents	Each Additional Dependent
Full Time	$311	$370	$422	$26
3/4 Time	233	277	317	19
1/2 Time	156	185	211	13

Students substituting traditional classroom work with correspondence study or on-the-job training are also entitled to monthly allowances, although different from those presented above. The G.I. Bill also extends to eligible veterans an educational loan program. Up to $2,500 may be borrowed each academic year. Receipt of these interest-bearing loans is contingent on the financial need of the student. Veterans may also qualify for tutorial assistance payments. A work-study program is also available and can provide up to $725 annually. Forty percent of the work-study agreement may be paid in advance. Disabled veterans are given preference to participate in this work-study program.

Educational Assistance for Children, Wives, or Widows of Deceased or Disabled Veterans

Purpose and Eligibility: Educational assistance is extended to survivors (widows and children) of deceased veterans where death was a result of involvement in the armed forces. Also, eligibility is provided to the wives and children of veterans totally disabled by service-related injuries. Although a child's marriage does not limit his or her eligibility for this assistance, sons and daughters of deceased or disabled veterans must be of ages 18-26.

Type and Amount of Assistance: Students eligible for this assistance are entitled to a monthly educational benefit allowance. These monthly payments are designed to help the student cover the expense of his or her postsecondary education for each month actively enrolled in an approved postsecondary institution. (Students do not receive payments during vacation months or for semesters when they are not enrolled.) The payments allotted under this program are: full-time, $311; three-quarter time, $233; half-time, $156; and one-quarter time or less, $78. Students enrolled in full-time cooperative courses (alternating classroom work with related employment experience) can receive $251 per month. Eligible students may also participate in a VA educational loan program. Persons may borrow up to $2,500 per academic year to pursue an educational program leading to a college

Veterans Administration
Central Office
810 Vermont Ave., N.W.
Washington, D.C. 20420
Phone: (202) 393-4120

degree or a vocational objective that requires at least six months to complete. Receipt of these interest-bearing loans is based upon the financial need of the student.

Vocational Rehabilitation for Veterans

Purpose and Eligibility: Veterans who served in the Armed Forces during World War II or thereafter are eligible for VA Vocational Rehabilitation benefits if all of the following conditions are met: (1) they suffered a service-connected disability while in active service which entitles them to compensation, or would but for receipt of retirement pay; (2) they were discharged or released under conditions other than dishonorable; and (3) it is determined by the Veterans Administration that they need vocational rehabilitation to overcome the handicap of their disabilities. If these conditions are met, the veteran is generally eligible for benefits for nine years following his or her discharge or release. Extensions are possible under certain conditions.

Type and Amount of Assistance: While enrolled in a postsecondary institution, eligible disabled veterans can receive a subsistence allowance in addition to their disability compensation. The costs of tuition, books, and fees are covered by the VA. The table below presents the monthly subsistence allowance for living expenses available for veterans enrolled in a vocational rehabilitation program.

Enrollment Status	No Dependents	One Dependent	Two Dependents	Each Additional Dependent
Full Time	$241	$298	$351	$26
3/4 Time	181	224	263	19
1/2 Time	120	149	176	13

An additional allowance may be received by veterans who are enrolled in an educational program full-time and agree to perform VA connected activities. These activities may include: VA outreach services; the preparation and processing of VA paperwork; VA domiciliary and medical treatment services; and any other activity as approved by the VA. Veterans who are disabled 30 percent or more from service-related disabilities are given preference to participate in this work-study arrangement. Students who agree to work 250 hours receive $725 while those who work less earn a proportionately lesser amount. Participants in this program receive 40 percent of their earnings in advance.

Contributory Educational Assistance Program

Purpose and Eligibility: To provide educational aid to veterans and currently serving service persons who: first entered active duty after December 31, 1976; were released under conditions other than dishonorable; or continue on active duty but have completed their first obligated period of service (or six years of active duty, whichever comes first); and have satisfactorily contributed to the program.

Type and Amount of Assistance: At the time when the eligible participant elects to use the benefits to pursue an approved course of study, the Veterans Administration will match each contribution at the rate of $2 for every $1 made by the participant. Participants receive monthly payments for the number of months they contribute or for 36 months, whichever is less. The amount of the payments is determined by dividing the number of months benefits will be paid into the total amount of the participant's contributory fund. Participants have ten years from the date of discharge or release to use these benefits.

OTHER SELECTED PROGRAMS

Social Security Administration
Central Office
6401 Security Blvd.
Baltimore, MD. 21235
Phone: (301) 594-1234

Social Security Checks for Students

Purpose and Eligibility: To provide educational payments to students with a parent (or under certain conditions, a grandparent) who is retired, disabled or deceased. The parent must have contributed to the Social Security program. Recipients must be between the ages of 18 to 22 and maintain a full-time enrollment status at an accredited postsecondary institution.

Type and Amount of Assistance: Monthly payments vary. Contact your local social security office for specifics. Request the publication "Social Security Checks for Students 18 to 22," HEW publication No. 78-10048.

Office of Community
Employment Programs
Department of Labor
Room 5402
601 D St., N.W.
Washington, D.C. 20213
Phone: (202) 376-6366

CETA Training Benefits

Purpose and Eligibility: To provide tuition-free career training to the chronically unemployed. This program is available only to CETA participants attending technical or vocational institutions.

Type and Amount of Assistance: CETA will cover all tuition and related fees (including books). In addition, these students are eligible to receive a subsistence allowance during their period of training. For specific details, contact your local CETA office or the central office listed above.

SUGGESTED REFERENCES

American Association of University Women. A Guide to Selected Fellowships, Scholarships and Internships in Higher Education, Washington, D.C.: AAUW, 1979

To order, write: American Association of University Women
Sales Office
2401 Virginia Avenue, N.W.
Washington, D.C. 20037
Phone: (202) 785-7700
Cost: $1.00

Bureau of Indian Affairs. Career Development Opportunities for Native Americans, Washington, D.C.: U.S. Department of the Interior, 1979.

To order, write: Bureau of Indian Affairs
Division of Postsecondary Education
1951 Constitution Avenue
Washington, D.C. 20245
Phone: (202) 343-7387
Cost: Free

Byrd, Linda and Smith, Carol. Selected List of Postsecondary Education Opportunities for Minorities and Women. Washington, D.C.: U.S. Government Printing Office, 1979.

To order, write: National Advisory Committee on Black Higher Education and Black Colleges and Universities
Suite 702
1100 17th Street N.W.
Washington, D.C. 20036
Phone: (202) 653-7558
Cost: Free

Kohl, Kenneth and Kohl, Jene. Financing College Education. New York: Harper and Row, 1980.

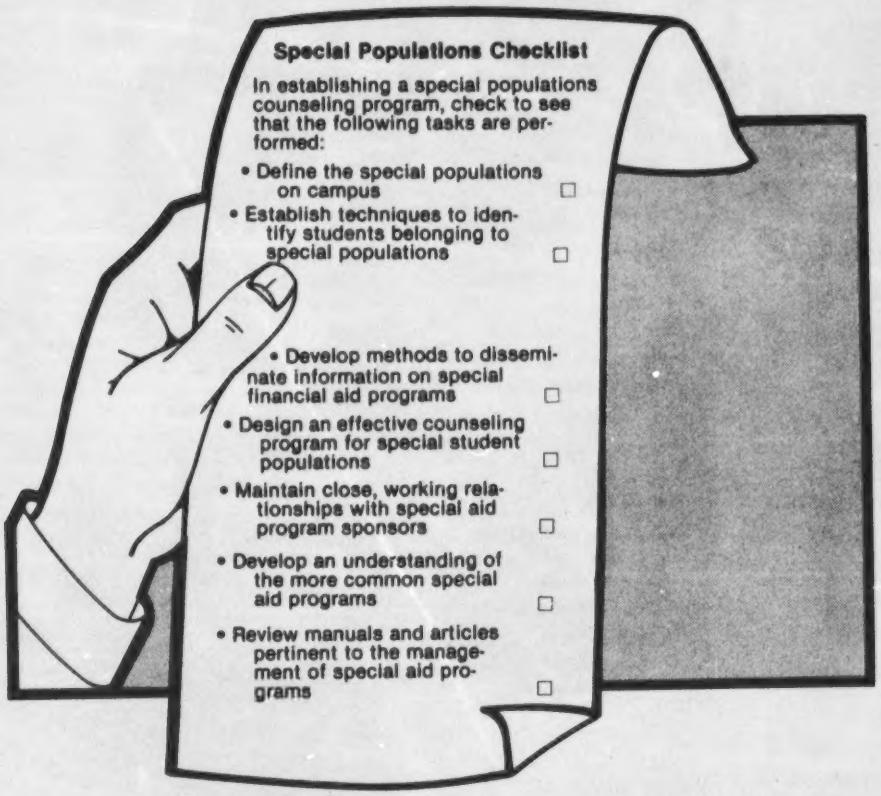
To order, write: Harper and Row Publishers
Att: Order Department
10 East 53rd Street
New York, N.Y. 10022
Phone: (212) 593-7000
Cost: $4.95 paperback, $12.95 hardback

Penn, Roger and Vejil, Emilio. "Financial Aid for Minority Students: Improving the Odds." Journal of Student Financial Aid, Vol. 6, May 1976, pp. 4-8.

To order, write: National Association of Student Financial Aid Administrators
910 17th Street, N.W.
Washington, D.C. 20006
Phone: (202) 785-0453
Cost: $3.50
Specify date and volume number

Veterans Administration. Federal Benefits for Veterans and Dependents. Washington, D.C.: U.S. Government Printing Office, 1980.

To order, write: Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402
Phone: (202) 783-3238
Cost: $2.00
Request Document #051-000-00137-1


Special Populations Checklist
In establishing a special populations counseling program, check to see that the following tasks are performed:
• Define the special populations on campus
• Establish techniques to identify students belonging to special populations
• Develop methods to disseminate information on special financial aid programs
• Design an effective counseling program for special student populations
• Maintain close, working relationships with special aid program sponsors
• Develop an understanding of the more common special aid programs
• Review manuals and articles pertinent to the management of special aid programs

END NOTES

[1] *College Entrance Examination Board. Making It Count: A Report on a Project to Provide Better Financial Aid Information to Students. New York, NY.: College Entrance Examination Board, 1976.*

[2] *National Center for Education Statistics. "Minority Population in Higher Education Increased During the 1970's." In The Condition of Education. Washington, D.C.: U.S. Government Printing Office, 1979.*

[3] *Streeter, Richard B. "Alternative Financial Resources for the Nontraditional Student." Journal of Student Financial Aid, Vol. 10, #2, May 1980, pp. 17-22.*

[4] *Van Dusen, William D. Design for a Model College Financial Aid Office. Princeton, N.J.: College Entrance Examination Board, 1980.*

[5] *College Entrance Examination Board. Making It Count: A Report on a Project to Provide Better Financial Aid Information to Students. New York, N.Y.: College Entrance Examination Board, 1976. p. 20.*

6

FINANCIAL AID PACKAGING: APPROACH AND PRACTICE

INTRODUCTION

The packaging of student aid funds is a primary responsibility of the institutional student financial aid office. Any aid office controlling discretionary aid funds faces decisions on how these funds will be distributed among students. The strategy an aid office employs to distribute discretionary aid is a matter of local choice. This chapter does not attempt to suggest specific packaging methods to institutions of a certain type or with certain characteristics. Rather, it provides an overview of the types of considerations for any aid officer developing a new packaging approach or evaluating the effectiveness of the current method.

The Federal government has placed a good deal of reliance upon institutions to achieve the intended goal of student aid: promoting access and choice among students regardless of financial circumstance. The packaging of student aid represents a crucial juncture in the system of aid distribution. As the Keppel Task Force Report stated:

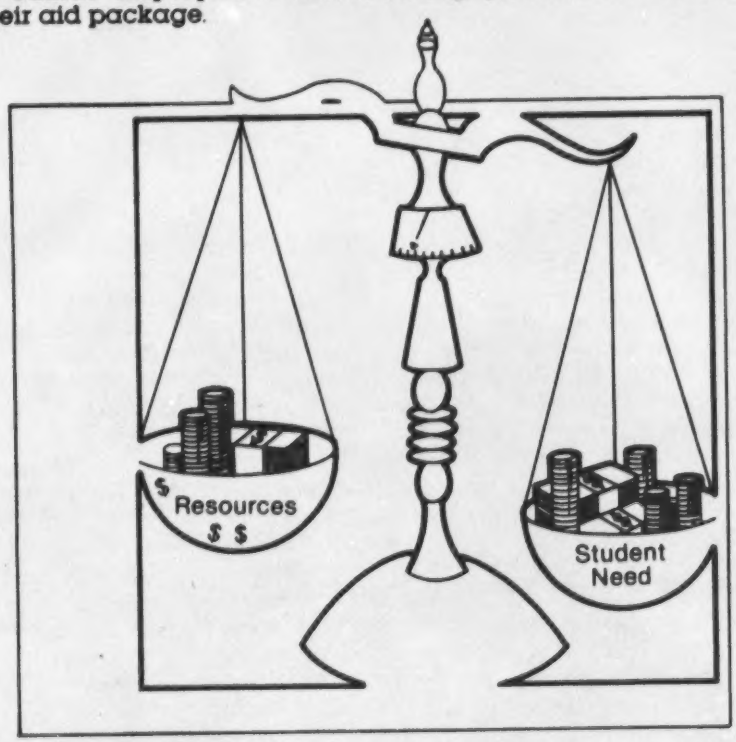
> One of the points at which the other inequities of the present student aid system can be corrected is where the institutional student aid administrator pulls all of the resources together into a package based on the goal of maximizing educational opportunities for the largest numbers of students. Packaging is the moment of truth when it all comes together, where the broad funnel of aid resources comes to its narrowest point and those resources are delivered to the student.[1]

Most funds distributed to institutional aid offices from Federal and state sources are restricted for use among students with demonstrated need. Nevertheless, policies must be set regarding the awarding of institutional aid (e.g., in terms of merit- vs. need-based scholarships) and how much (what percentage) of a student's need the aid office can commit itself to meet.

In a very real sense, packaging is the most visible part of the aid office process. The way in which student assistance is packaged is a major determinant of the esteem in which the aid office is held. Students, for example, will tend to solidify their perceptions of the aid office based upon the "bottom line" of the aid process -- the amount and type of assistance they are scheduled to receive. Once the award letter is received, the student will be able to judge whether the aid office fully understood his or her personal financial situation and adequately met his or her needs. Parental opinion of the aid office will depend on the financial commitment the parents are expected to make to their child's postsecondary education. Kind words and reassurances during a counseling session mean little to a family that simply cannot afford its calculated financial contribution. In fact, the end result (the package) can either positively or negatively alter previously developed perceptions of the aid office based on prior contact through personal interview or correspondence.

To the rest of the institution, the practices of the aid office are summed up in the packages it assigns to students. At some institu-

tions the prevailing perception may be that the aid office should pay more attention to scholarship as a criterion for awarding aid while at institutions whose overall mission is concerned with promoting access, the aid office will be viewed as having the ultimate responsibility to meet the full need of students. In the latter instance, faculty members may lay the blame squarely on the aid office when their students are found sleeping at their desks because they had to secure outside employment to close the gaps between their need and their aid package.



Whatever the specific characteristics of an individual institution and/or the structure of the aid office, packaging will always be an exercise in balancing available resources and institutional/aid office priorities. As will be illustrated later in this chapter, each aid office must weigh the aggregate need of the student body against the sources and amounts of financial assistance at his or her disposal. The options open to the aid office in this area are many, and the decisions that must be made are crucial to the student and the institution.

WHY STUDY PACKAGING?

Prior to delving into the topic of developing a packaging approach, it is useful to examine the starting point for this chapter.

During the course of the Study analysis of the packaging methods employed by institutions, it became increasingly clear that the packaging method adopted by an institution is dependent on a variety of local factors. Upon closer inspection, it was also apparent that some institutions are achieving the same packaging goals, yet reaching them through divergent routes.

Among the institutionally-related differences that can affect the choice of a packaging method is the amount of available institutional aid resources. Recently, Applied Management Sciences examined the packaging philosophies of 174 institutions during the Study of the Impact of the Middle Income Student Assistance Act. In a paper published separately by Applied Management Sciences, Richard Ellis explains that the amount of institutional aid over which the financial aid office has discretion can alter the packaging priorities of an institution. He discusses an extreme example of access to institutional aid to make this point:

> . . . (some) schools may have virtually unlimited resources, and issues of equity simply are not raised. (This) sort of situation is found in these data, in the form of a group of five private, prestigious, high-cost, wealthy universities. All five share a similar and distinctive approach to packaging found at no other schools in the Study. They establish a minimal level of required self-help which every student must meet, with no exceptions. For aid recipients with no family resources, this minimal requirement--which may be a substantial one--is met through awarding of College Work-Study and loans. Once a student meets the minimal requirement, these universities use institutional grant aid to meet all remaining needs not covered by other nonreturnable assistance. Such a packaging approach is simple, highly understandable, equitable, and administratively straightforward. Unfortunately, few schools can afford such approaches. More typically, schools find that they must limit nonreturnable aid, and self-help (especially loan assistance) may become a considerably larger proportion of the total aid package.

Differences in the expertise of aid office personnel can also be a determinant in the selection of a packaging technique. In Chapter 3 of this Guide, it was noted that there is variance in the skills and experience of aid personnel from institution to institution. The more knowledgeable aid officer will have more options open to him or her due to an increased familiarity with the technicalities and ramifications of certain packaging practices. The novice aid officer is at a slight disadvantage in this situation. Efforts of the Education Department and professional organizations to inform aid personnel of the state-of-the-art in this and other areas of aid administration, through seminars and published materials, have helped bridge this gap and may lessen its importance as a factor in determining practices.

The time available for an aid officer to spend on the development of a packaging approach is an integral consideration because it

places a limit on the number of options that may be tried by the aid officer. Having the flexibility to experiment with various packaging methods before doing the actual computation of awards can ensure that the packaging type chosen is appropriate given the needs of the current student body and the available resources. This type of experimental freedom has also been attained by aid offices possessing sophisticated computer capabilities. These institutions are able to program a number of packaging options and test their viability against the actual need of student aid applicants. The high-speed efficiency of data processing apparatus means that aid personnel can test large numbers of possible strategies in a short period of time with only limited staff usage. Students at these institutions receive the benefit of packages reflecting an up-to-the-minute picture of the student body while their counterparts at less well-equipped institutions may be handled according to a much less scientific approach (either based on past performance, "guesstimates," or the individual limitations of the aid office(r)).

Obviously, an aid office that begins its development of a packaging strategy with preconceived goals and/or criteria regarding the resulting awards can adopt only a reduced number of available packaging options. Some of these notions may be conceived internally by the aid office or predetermined by institutional student aid committees or other governing authorities. Institutions advocating the assignment of a self-help requirement will practice different packaging techniques than those that try to assign all students some nonreturnable aid. Whether an aid office commits itself to meeting the full need or only a portion of the need of its students will affect the packaging method. Differences in the way certain student types (e.g., dependents vs. independents) are treated and the availability of Guaranteed Student Loans in the area will also result in varying approaches to packaging. Additionally, aid officers at institutions with programs of two years or less may be reluctant to assign large blocks of loans to students because of the rapid onset of repayment obligations and/or the limited income potential of students at these institutions.

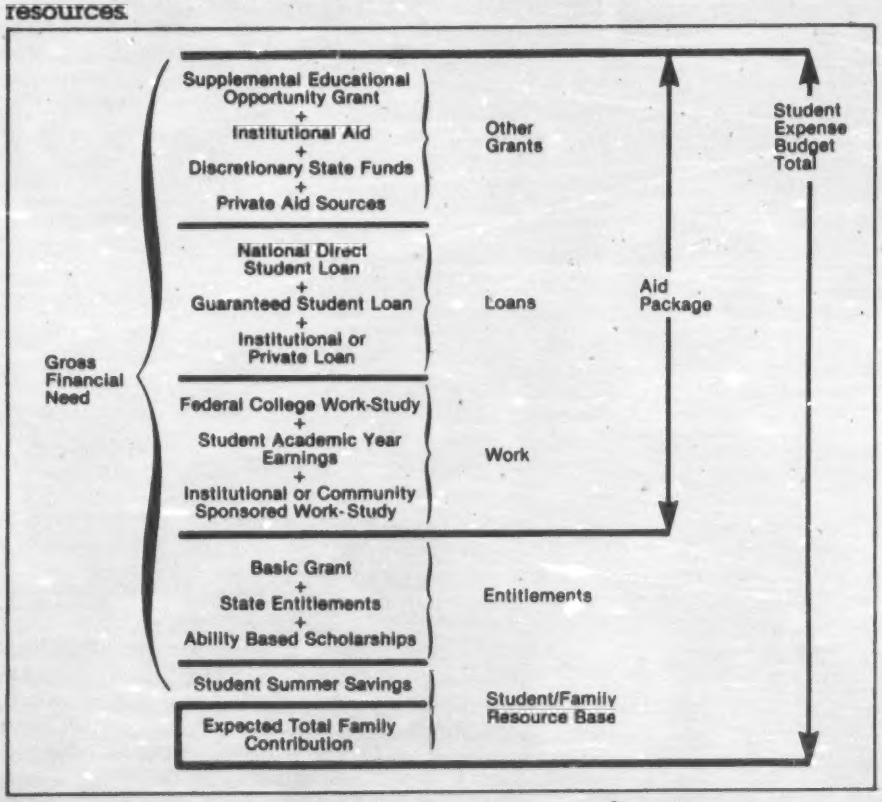
PRE-PACKAGING CONSIDERATIONS

The remainder of this chapter is intended to present the financial aid officer with a framework for developing a new packaging approach as well as evaluating the method currently employed. Initially, the discussion concentrates on those factors that must be accounted for prior to the development of a packaging philosophy. Following that is a presentation of the outcomes and considerations that go into the formulation of a packaging approach.

As was previously considered, the resources an institution has at its disposal will influence the choice of a packaging philosophy. The aid office must ensure that it is receiving the maximum amount of aid resources for which it is eligible. In terms of Federal aid funds (as well as in cases where state funds are disbursed in similar fashion), a great

deal of reliance is placed upon the annual application for Campus Based funding (the FISAP). Proper and prompt completion of the FISAP must hold a high priority within the aid office. If the aid officer has relinquished this responsibility to another institutional office (e.g., the business office) or to an outside consultant, it is still his or her duty to oversee the completion of the FISAP. Once funds are received from governmental sources, the aid office, in cooperation with other appropriate institutional divisions, must place emphasis on the proper management of the monies. Any penalties accruing to the institution as a result of mis-handling or abuse of public funds will put a serious crimp in the aid office's ability to package financial aid funds properly for students.

The existence of institutionally generated student assistance dollars can have a positive impact on the packaging approach of a local aid office. In addition to the aid office's interest in obtaining sufficient amounts of institutional aid it can direct toward needy students, it should not neglect its potential role in procuring such funds. Cooperating with the alumni office or the grants and development division may yield information on possible sources of aid as well as mutual assistance programs to enhance the ability to obtain such resources.



Institutional aid offices no longer have to operate in isolation. In recent years the rise of professional organizations and the interest of Federal and state governments in the practices of aid offices has resulted in a rise in the amount and quality of available guidance on this subject. By referring to published materials or picking up the telephone to contact local or national experts on the aid process, including packaging, aid officers can increase their store of knowledge in short order.

One final consideration before embarking on the actual development of a packaging method must be a recognition of its relation to other aid office practices. Specifically, the manner in which an institution administers its need analysis and budgeting responsibilities can directly impact the packaging method and its ultimate outcomes. Institutions are not exercising practical management when they expect students to contribute outrageously high amounts from their summer earnings, utilize the Basic Grant formula for calculation of need for the Campus Based programs, ignore extenuating circumstances in the calculation of family contributions, or establish artificially low budgets for indirect educational costs. The effect of these four examples is to create the illusion that a high percentage of student need is being met due to lowered levels of aggregate student need. In reality, these aid offices succeed only in making themselves look good "on paper" while misrepresenting the true nature of the students' situations. Thus, relationships among need analysis, budgeting, and packaging must remain consistent as must the aid office's view of the intended outcomes of these practices.

DEVELOPING A PACKAGING APPROACH

The concepts presented herein have been designed with two applications in mind. First, they are intended to guide the aid officer who must develop from scratch a packaging approach that best suits the characteristics of his or her particular institution. This aid officer may be totally new to the field of financial aid, or it may be that his or her institution has only recently applied for the receipt of Campus Based funding. The second intended audience is the aid officer (either experienced or novice) who, for one reason or another, has undertaken to reevaluate the merits and detriments of his or her current packaging philosophy. Conceivably, novice aid officers will not have enough knowledge at hand to evaluate properly the condition of their institutions in accordance with the criteria detailed below. For these persons, this discussion may serve to highlight the areas in which they should improve their awareness of local circumstances. The following can serve as a checklist against which to conduct such a study regardless of whether this evaluation is part of an annual or regular process, has been prompted by a dissatisfied student body, or is a manifestation of the aid officer's desire to keep pace with current developments in financial aid.

Although packaging itself is a set of intricate technical steps, there must be a series of philosophical goals the packaging approach is intended to attain. To define and implement a packaging strategy, the existence of certain desired student- and institutionally-related outcomes must be acknowledged. Among the student-related outcomes are:

- equity: the assurance that all students are treated fairly, relative to one another, and that the objectives of student access and choice are properly addressed; and
- achievement of the lowest "net price": from the students' viewpoint it is essential that he or she have to bear the lowest possible burden of responsibility for financing his or her education--the "net price." While it is, of course, desirable that all students make some fiscal contribution to their education, it is unrealistic to expect a student to work 40 hours per week while attending classes full time or to assume responsibility for monthly loan repayments that will outstrip his or her future earnings potential.

The three most commonly articulated institutionally-related packaging outcomes are:

- the maximization of resources: since only a handful of institutions can afford to meet the full need of all students, some decision must be made on the manner in which the available funds will be allocated. In reaching such a determination, it must be decided whether, for example, the institution will reap the greatest benefit by fully funding only the neediest of students or by providing small amounts of aid to larger numbers of students. The choices concerning the manner in which the available resources will be stretched are directly linked to the two remaining institutionally-related considerations;
- recruitment: the linkage between aid packaging and recruitment is undeniable. Institutions seeking to adhere to missions that promote open access will seek to emphasize the student-related outcomes of packaging, while those concerned with raising institutional revenues may seek to maximize the usage of aid from governmental sources and, in turn, minimize the utilization of institutional aid. Aid offices may also receive pressure from other campus departments to reward scholastic or athletic prowess with preferential aid packages; and
- retention: the increasing commitment institutions and students are extending towards a postsecondary education makes the necessity for the promotion of student retention even more important. An institution will provide little benefit to itself if its students are unable to complete their academic careers. If a student, for instance, finishes only one year of school and then must drop out due to economic considerations, the school may immediately be faced with the problem of trying to collect an outstanding loan from a student who has not completed a course of study that will enable him or her to support him- or herself. Nor does an institu-

tion want to invest the time and money in recruiting a student who, before the start of the second semester, locates a "better deal" for him- or herself and tranfers to a rival institution.

Once the aid officer is satisfied that he or she comprehends and can address the institutional- and student-related consequences of the adopted packaging approach, then he or she is ready to begin the process of developing the proper manner through which student assistance funds will be packaged and/or of evaluating the current approach.

During the course of the research leading to the publication of the Guide, extensive interviews were conducted with a number of financial aid officers from institutions across the nation. These aid officers represent institutions of varying levels of wealth, size, control, and mission, and are, themselves, representative of different approaches to financial aid management. On the subject of developing and evaluating packaging techniques, there is a wide spectrum of views. During these interviews, a number of common threads emerged which, upon closer scrutiny, could readily be woven into a coordinated foundation upon which to base a packaging discussion.

For those aid offices with an established aid packaging policy, these factors will represent the keys to implementing that policy successfully. Should one or any combination of these determinants be altered, there can be a marked effect on packaging outcomes. To ensure that an institution's packaging method is producing the desired results, the aid officer should monitor any changes in these areas and be prepared to modify the packaging technique appropriately.

- **Discretionary Aid Resources**

  — Governmental Sources

  - - Financial assistance made available through governmental sources usually comes with some strings attached. The aid officer must be totally knowledgeable of the rules and regulations regarding discretionary government-sponsored aid. In the Campus Based programs, the necessity of employing a form of the uniform methodology in calculating eligibility must be the foremost consideration. Requirements in Federal and state programs that mandate minimum course loads for students may bear on the number of potentially eligible students. This is especially crucial at institutions with large numbers of nontraditional students who often carry less than full course loads. Changes in the awarding rules established by the government must be constantly monitored to avoid the consequence of overawarding. The 1980 reauthorization of Federal student assistance programs makes this point especially current. Alterations in funding levels, eligibility standards, and awarding criteria make this a crucial duty of the aid office. In establishing

their timetable for finalizing students' packages and notifying them of the size of their awards, aid offices should take note of the dates when they will be notified of the amount of government aid the institution will have available. By coordinating the award cycle with government schedules, aid offices will not be burdened with the unnecessary complications of mass re-calculations and packaging readjustments.

— Institutional Sources

- The distribution of institutional aid sources may also be subject to some limiting conditions. These limitations may be imposed by any number or varieties of institutional governing authorities or by corporate or private donors, and the aid officer may or may not be a part of the decision-making process (see Chapter 3 for a more detailed discussion on this matter). Although the levels of, and restrictions on, institutional aid are being determined on the campus and not at the state capital or in Washington, D.C., the aid officer must be equally certain to stay abreast of all decisions regarding this form of assistance. In many instances aid officers who possess large amounts of virtually unrestricted institutional aid feel that they have the greatest amount of flexibility in determining and implementing a packaging philosophy.

— Funding Levels

- Ultimately, it is the dollar amount of aid allotted for the individual institution to distribute that will have the greatest influence on the eventual choice of a packaging method. An institution with a relatively low SEOG allocation and a lack of institutional assistance cannot possibly hope to offer all students some nonreturnable aid. Conversely, institutions with all of the grant aid they need (as in the case of some of the wealthiest private universities and colleges) can simultaneously equalize and minimize the self-help burden among students, should they so choose. Fluctuations in levels of available aid can render an existing set of packaging principles inoperative. One aid officer reports that drastic reductions in the amount of state entitlement grants forced him to include Guaranteed Student Loans in aid packages, a practice he had never used in the past.

- **Educational Cost**

— Direct Costs

- Although in the vast majority of cases the aid officer will have no control over the levels of tuition and fee charges, they are viewed by aid officers as an important factor in judging the relative merits of various packaging approaches. Simply stated, the higher the tuition and fee costs at an institution, the higher the relative need of the student body, and vice versa. As Table 6.1 illustrates, tuition costs make up a higher percentage of the total student budget at

the higher-cost, private institutions. Couple this with the facts that tuition and fee costs at private 4-year institutions are, on the average, over $1,750 higher than their public counterparts and the difference at 2-year institutions is over $1,500[2], and it is likely that these aid officers will either have to locate more aid monies or meet a smaller proportion of student need than their public counterparts, given similar student aid applicants. It is also apparent that costs that are not tuition-related will have a large impact on the relative need of students.

PERCENT OF TUITION/FEE (DIRECT) COSTS IN BASIC STUDENT BUDGET[1], BY LEVEL AND CONTROL OF INSTITUTION: ACADEMIC YEAR 1978-79

		Institutional Level and Control				
	ALL SCHOOLS	4-Year Public	4-Year Private	2-Year Public	2-Year Private	Proprietary
Excluding Non-resident Tuition Surcharge	43.4	24.8	59.2	14.4	49.1	47.9
Including Non-resident Tuition Surcharge	N/A	49.7	N/A	40.7	N/A	N/A

[1] Basic budget applies to a student who is dependent, single, living off-campus (at home), attends classes full-time over a nine month period.

SOURCE: Study of Program Management Procedures in the Campus Based and Basic Grant Programs Final Report, Volume I, Table 8.12.

— Indirect Costs

--The assessment of indirect costs has long been a topic of open debate within the financial aid community. Professional associations have advocated the position that budgets developed for students should in some manner accurately measure the indirect costs of education (room, board, transportation, books and supplies, and other personal expenses). It is useful at this point to quote from the Working Papers of the joint Midwest Association of Student Financial Aid Administrators/United States Office of Education Invitational Student Budget Conference which was held in April of 1976. This statement serves as an informal "code" of budgeting ethics.

> . . . the process of budget construction may easily be used for purposes which do not serve the needs of students. For example, student budgets should not be established for manipulative or inconsistent purposes, such as rationing of funds, justifying large fund requests, showing that the full

need of students has been met, or recruiting students by publishing misleading institutional costs. Rather, the aims of expense budgets should be to measure educational costs accurately, to serve as devices for administering aid efficiently and responsibly, and to insure basic equity among members of a defined group. [3]

- **Demographic Characteristics of the Student Body**

  — Economic Factors

  -- Many aid officers, including those who have been national leaders in the development of aid packages, are reluctant to offer a single packaging technique for inclusion in this Guide. Their emphasis is, rather, on the need for aid offices to respond to local circumstances. Gene Miller, President of NASFAA and Director of Financial Aid at Pasadena City College, stated that after the relation between student need and available resources has been identified, the next consideration should be "the numbers and types of students, especially the uniqueness of the student body." Certain characteristics of students will have an effect on the amount of need and the manner in which that need is met.

  Shifts in the economic circumstances of large numbers of students can serve further to stretch or ease the pressure on available resources. In situations where the actual need of students is far greater than the amount upon which their Campus Based allocations were based, many previous assumptions regarding that year's packages will have to be abandoned.

  In some senses, a more diversified student population will present the aid officer with more packaging options than will a homogeneous student body. Students of differing need and varying backgrounds have a wide variety of packaging needs. A student body comprised of one type of student (e.g., high need, single parent, twelve-month) may cause one form of assistance to be spent more quickly than another and may force the aid office to adopt, for instance, a first-come first-served approach to the awarding of certain types of aid or in granting students the choice between loan or work.

  — Special Considerations

  -- There are a number of special considerations that must be made based upon the "uniqueness" of the student population. The geographical placement of the institution, whether it is an urban or rural setting, may influence the availability of students for work-study employment due to unusually high transportation time. Or, it may affect the access of students to post-graduate employment and thus influence the ability of students to bear a high loan burden. Tradi-

tional students, those who continue their education directly from high school, may tend to complete their academic careers at a proportionately higher rate than nontraditional students who may be attending part-time or on a "trial basis" --trying to juggle family commitments with educational aspirations. Propensity to graduate can alter the viability of a student as a loan risk while the amount of extracurricular responsibilities a student has may effect his or her ability to be awarded work assistance. Regulations regarding the definition of independent student status are subject to change. Alterations in independent criteria may shift the relative need of the student again, possibly after the levels of available assistance have been determined. Inconsistent and sometimes conflicting definitions of independency between aid sources (e.g., Federal and state) must be given close attention to minimize confusion and error-related adjustments. For the same reasons cited in Chapter 5, minority, women and other "special" students have specific needs regarding financial aid. The area of packaging is no exception, and the aid officer must attempt to work enough flexibility into his or her approach to ensure that students' aid packages reflect an awareness of the significance of their backgrounds.

— Responding to Demographic Circumstances

- - The specific reaction that the existence of special demographic characteristics should cause in financial aid policy can vary depending on the nature and extent of such circumstances. Two major areas where effect of response will be noted are in the assignment of higher student budgets that are indicative of special educational cost requirements (e.g., for handicapped students) or the establishment of certain criteria that will be used to determine whether the student is deemed compatible with a specific loan or work-study award. Aid officers are quick to caution that there must be a balance struck between serving the needs of these special cases and the remainder (which may, in fact, be the majority) of the student population. Common sense and the maintenance of a documented, coherent packaging philosphy are the most oft-mentioned words of advice for aid personnel engaged in this task.

• **Local Characteristics**

—Institutional Considerations

- - In addition to the costs of attendance, there are a host of other institutional characteristics that may influence the shape of the package. The length of academic programs at the institution (4-year, 2-year, or less), the structure of the academic year (eight, nine, or 12 months), special fee requirements (for nursing, engineering, many vocational programs, and others) and the ultimate career potential of

graduates will also help determine the total cost to the student and the form of aid most suitable. The packaging philosophy must coincide with the institutional mission in those areas. In institutions where 12 month programs are available for students, the aid office is faced with the challenge of setting aside enough dollars to fund students for the full year or risk cutting off this option for needy students. It appears to be incompatible with any institutional mission that students be denied access to certain courses of study because they (in tandem with the aid office) cannot meet the costs of such programs. Finally, it is unrealistic to expect that the aid of students receiving training in vocational areas be packaged in accordance with the same guidelines as for those pursuing professional careers (e.g., doctors, lawyers), especially with regard to the accumulation of loan debt.

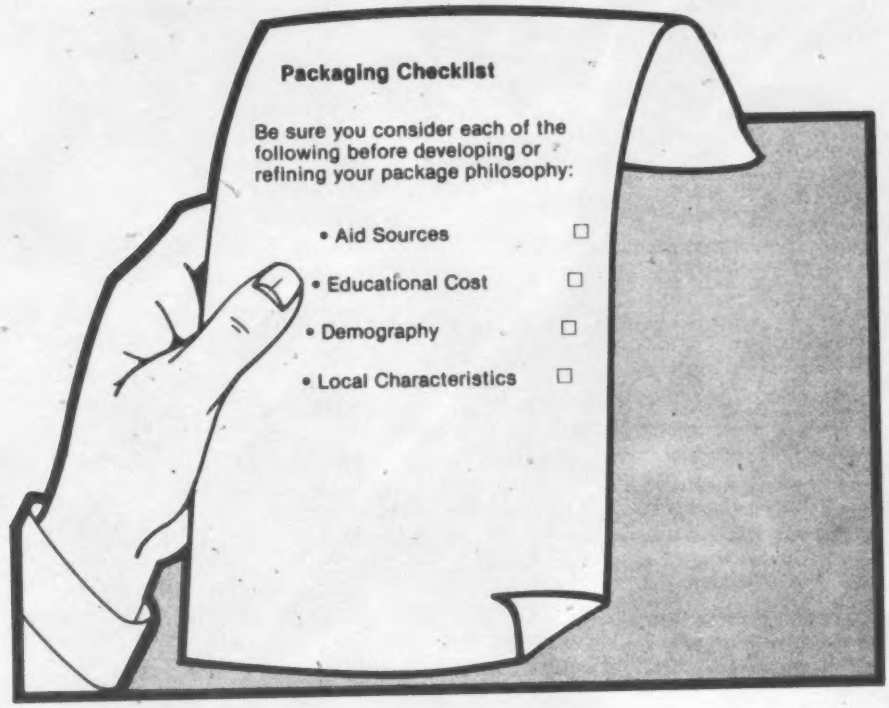
— Aid Office Traits

- - Earlier in this chapter it was noted that aid offices can only act within the boundaries of their own resource, policy, and expertise limitations. The potential for innovation and accuracy in packaging will increase or decrease in accordance with similar shifts in the above-named areas. Whenever any such area is altered, it is essential to keep one's eye on the entire packaging process to be fully aware of its impact. One aid officer cautioned that the addition of "on-line" computer capabilities which make adjustments to the individual package much easier can cause considerable problems if the level of available dollars in each assistance category is not properly monitored at each step in the awarding sequence. The general rule in this area of packaging, borrowed from the world of physics, is that "for every action there is a reaction." Identifying the "actions" as well as predicting and coping with the "reactions" are both the responsibilities of the aid office(r).

CONCLUSION

The overall scope of decision-making in the field of aid packaging covers a narrow, yet complex, band of considerations. At some time, every aid officer will have to establish packaging guidelines encompassing the relationship among nonreturnable aid and self help support, the percentage of student need he or she will be able to meet, and the assignment of specific types of packages to certain student types. It has been the thesis of this chapter that a packaging philosophy is a truly local phenomenon, that the number of intervening factors that impact on packaging decisions are many, and that each institution must eventually consider all of these factors in terms of balancing and distributing aid resources against the types and degrees of students' needs. No magic word or key phrase will eliminate the agonizing process through which many aid office(r)s

determine their packaging policy. It is true, however, that without organization and a cognizance of one's local situation, packaging may continue to be an exercise in frustration for many aid officers. For those who have mastered the art of packaging, it can be a point of warm satisfaction, where intention is articulated into substance, and philosophy can be judged against reality.


Packaging Checklist
Be sure you consider each of the following before developing or refining your package philosophy:
• Aid Sources ☐
• Educational Cost ☐
• Demography ☐
• Local Characteristics ☐

END NOTES

[1] *Keppel, Francis. National Task Force on Student Aid Problems, Final Report, (Brookdale, California: The Task Force, 1975), p. 68.*

[2] *Figures derived from Applied Management Sciences' Study of Program Management Procedures in the Campus Based and Basic Grant Programs, Final Report, Volume I. Applied Management Sciences, Silver Spring, MD., June 1980. Table 8.2, p. 8.11.*

[3] *Midwest Association of Student Financial Aid Officers/United States Office of Education. Invitational Student Budget Conference: Working Papers, (Washington, D.C.: MASFAA/USOE, 1976), p. 5.*

7

CLOSING REMARKS

It has not been the intention of the authors of this Guide to Selected Financial Aid Management Practices to provide the aid officer with a set of ground rules covering the areas presented. The information and discussions contained are intended as guidelines and are completely suggestive in nature. There cannot be too much emphasis placed on the necessity to adapt the ideas put forth to fit within, and react to, the local and distinct circumstances that characterize each institution and every aid office.

Aid officers reading this Guide should not feel a compelling need to alter all aspects of their administrative technique to conform to the ideas presented. Rather, they should use the Guide to identify areas of their overall management that either have not been fully developed or are not effectively meeting intended goals. The devotion of a good deal of this Guide to explanations of the rationale behind the use of various practices was aimed at elucidating upon the relationship between the management of financial aid and the desire to utilize financial assistance to meet specific program goals (e.g., access and choice). For the novice aid officer, this may be a concept he or she had not previously come to terms with; for the more experienced aid person, it may clue him or her to a new standard upon which to evaluate his or her aid operation or more effectively communicate aid office needs and goals to those outside of the financial aid community.